The **key question** on passenger traffic—is it a business or a 'social service?' . . . p. 42

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RAILWAY AGE WEEKLY

U. S. STEEL BUILDS NEW RR IN WYOMING

p. 12

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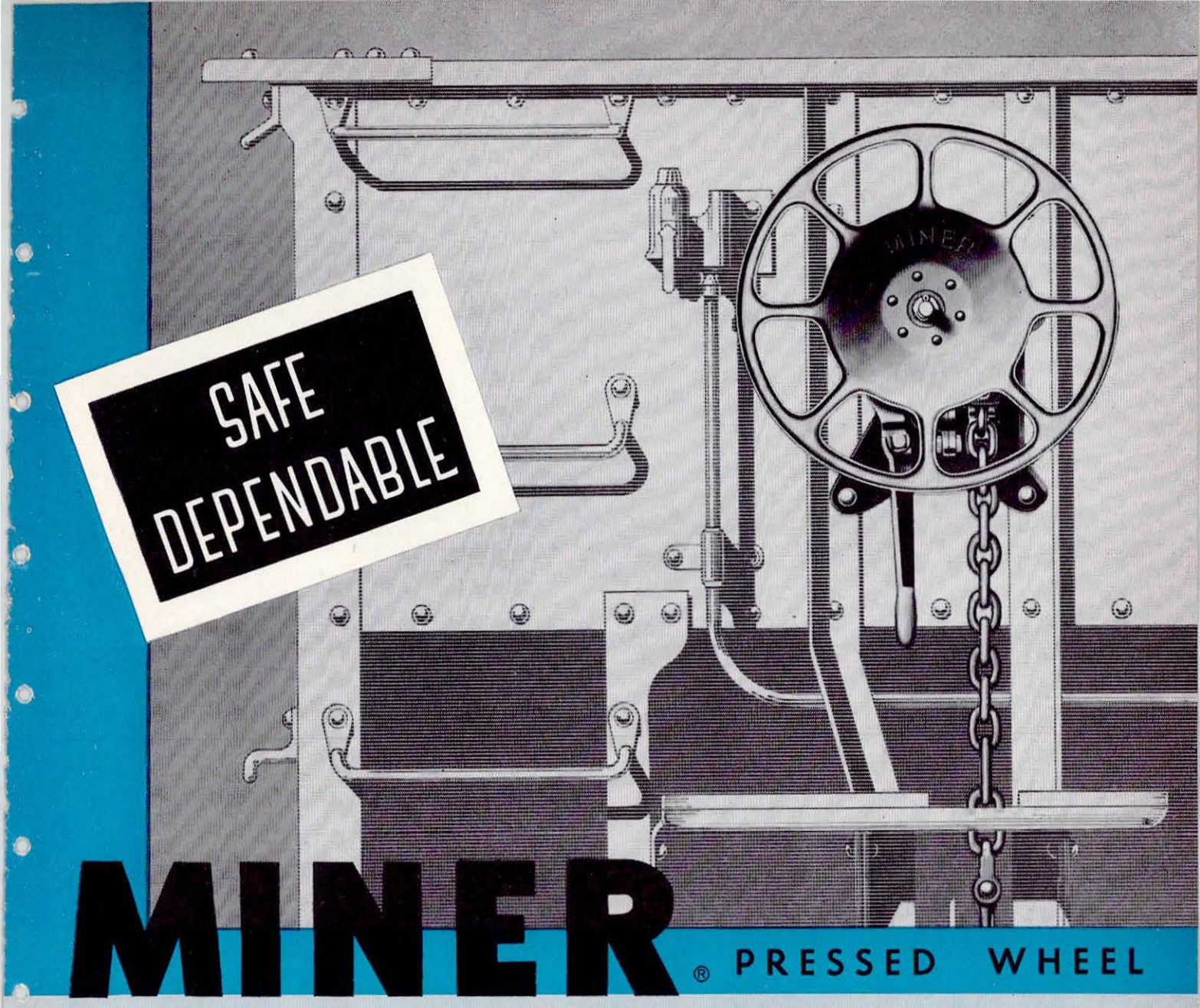

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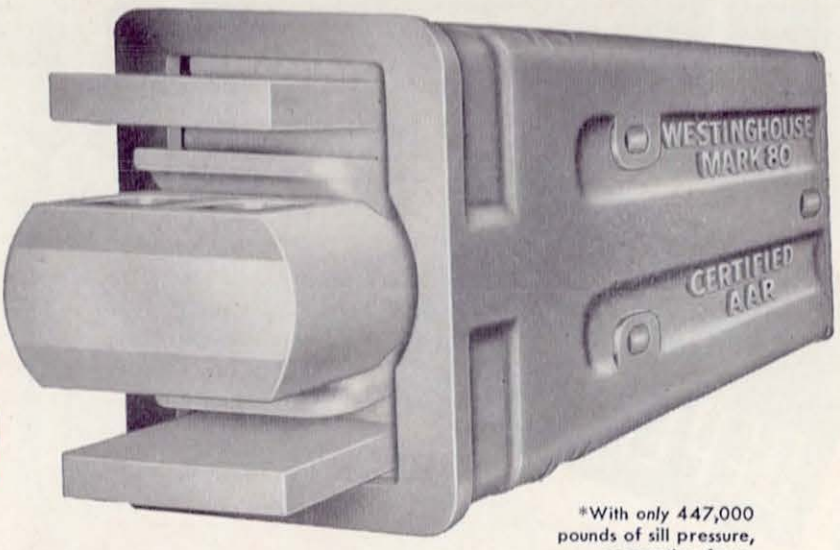

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RAILWAY AGE

WEEK AT A GLANCE

Oct. 16, 1961 • Vol. 151, No. 16

Computer helps B&O schedule car repairs

Reports prepared by the road's Data Processing Center show how the maximum number of serviceable cars can be provided at a minimum cost .....p. 9

U.S. Steel builds new RR in Wyoming

The 77-mile-long industrial spur, largest privately owned railroad project west of the Mississippi in decades, connects with the UP's Winton branch line. p.12

Rail-truck service helps builders

The coordinated service, offered by the Milwaukee Road and a subsidiary, was tailored to serve contractors operating at off-line construction sites. p.17

SAL's pooled cabooses cut terminal delays

The new procedure permits the Seaboard to set off cars at selected intermediate points with only slightly more delay than is required for changing crews. p.19

Trustees describe New Haven woes

With monthly cash requirements exceeding revenues by over $1 million, NH trustees want authority to issue an additional $15 million in trustee certificates. p.27

ICC opens hearings on GN-NP merger

Unification of the two roads and their subsidiaries is essential to eliminate waste and to meet non-rail competition, NP President Macfarlane told the initial hearing p.28

N&W-NKP-Wabash case starts

The proposed unification would produce annual savings of more than $27 million after five years, N&W President Saunders testified as hearings opened in Washington p.37

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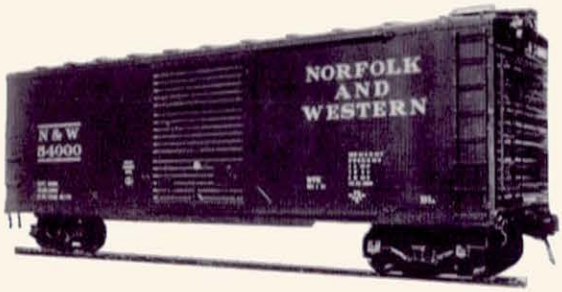

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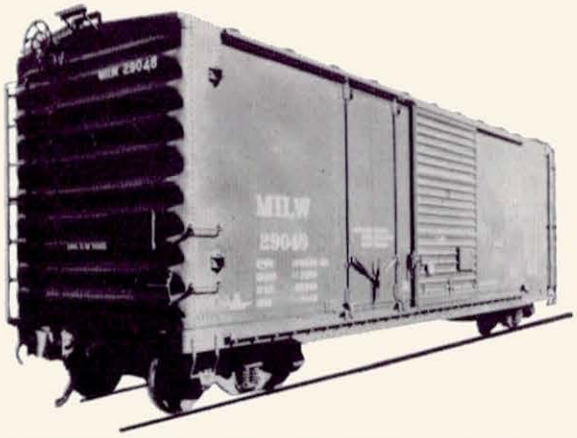

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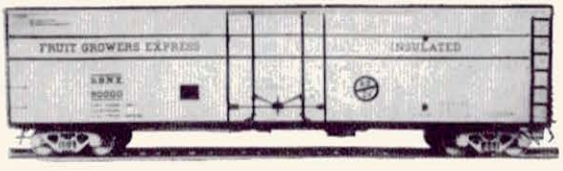

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The Action Page—Business or charity?

When railroads are reimbursed for performing social services, they have a right to demand compensation that can in no sense be described as "subsidy." p.42

Short and Significant

Piggyback loadings set a new record . . .

of 13,461 cars during the week ended Sept. 30, according to the AAR. For this year as a whole, piggyback loadings are running more than 4% ahead of 1960.

One out of every five cars in Canada (20.1%) . . .

moved under agreed charges in 1960, according to a waybill analysis covering carload all-rail traffic. The 1959 figure was 17.5%; 1958, 14.6%.

Any provision in a Teamster contract . . .

calling for a $5-per-trailer "penalty" from truck lines using rail piggyback service will be voided under a measure adopted by the Texas legislature.

Jersey Central will be unable to continue . . .

supplying essential passenger facilities under the New Jersey contract system after June 30, 1962, the road says, unless action is taken on a long-range solution to commuter problems.

Federal-Government guaranty . . .

of a $5,000,000 loan is sought by the Lehigh Valley in an application filed with the ICC. Proceeds would reimburse LV for capital expenditures made since Jan. 1, 1957.

Permission to abandon . . .

about 40 miles of its Ithaca branch in New York has been requested by the Lehigh Valley. The portion that would be abandoned extends from Ithaca to Fayette.

Current Statistics

Operating Revenues	
8 mos., 1961	$5,998,152,727
8 mos., 1960	6,458,334,573
Operating expenses	
8 mos., 1961	4,828,611,554
8 mos., 1960	5,116,255,934
Taxes	
8 mos., 1961	651,505,797
8 mos., 1960	702,021,711
Net railway operating income	
8 mos., 1961	256,173,579
8 mos., 1960	398,984,854
Net income estimated	
8 mos., 1961	140,000,000
8 mos., 1960	278,000,000
Carloadings revenue freight	
39 wks., 1961	21,083,518
39 wks., 1960	23,279,994
Freight cars on order	
Sept. 1, 1961	9,690
Sept. 1, 1960	23,866
Freight cars delivered	
8 mos., 1961	22,439
8 mos., 1960	39,419

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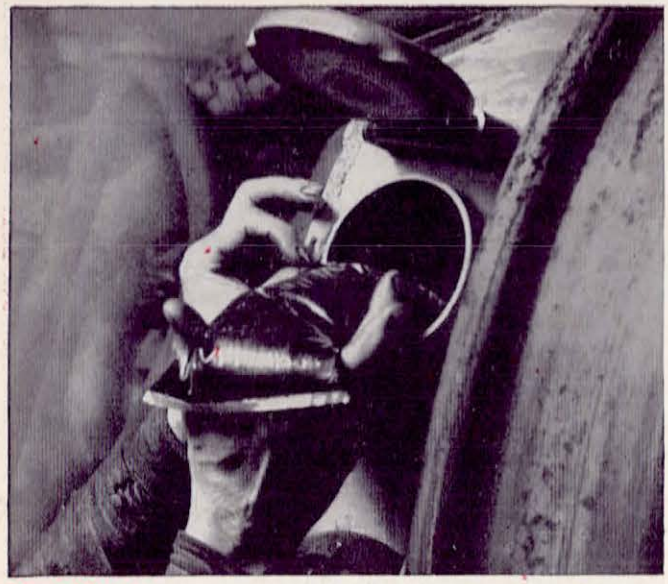

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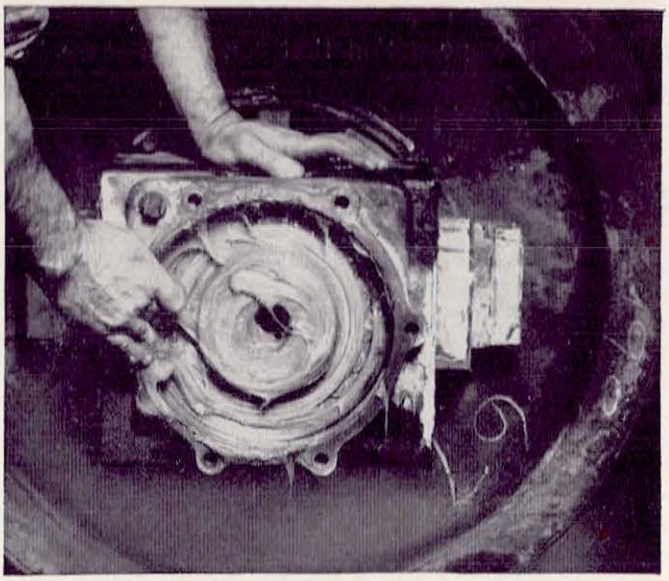

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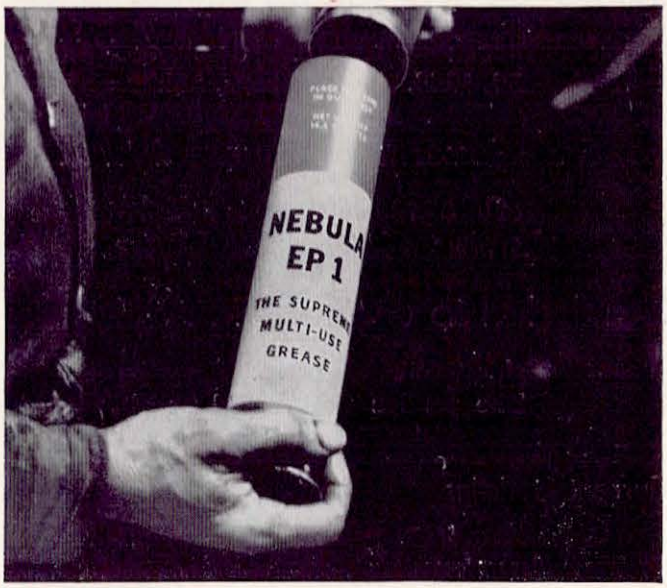

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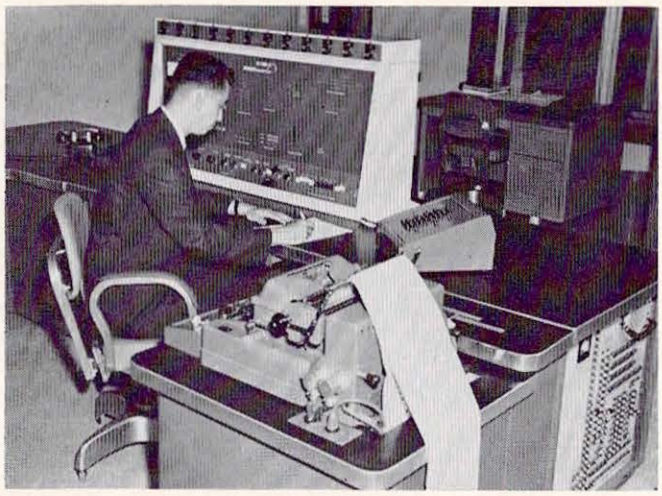

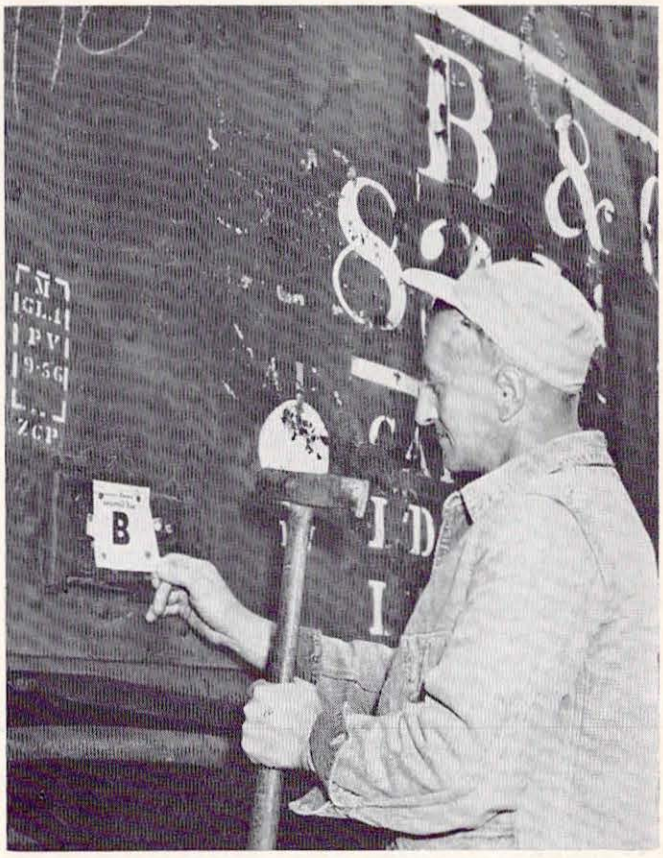

B&O's Data Processing Center (above) prepares reports showing location of every unserviceable car, repairs needed, estimated costs. Next step (right) is tagging of bad-order car for repairs.

Computer Helps B&O Schedule Car Repairs

► **The Story at a Glance: The Baltimore & Ohio last week unveiled what it called a "totally new concept" in systematic, scientifically - scheduled freight car repairs. The new program, which President Jervis Langdon declared "holds the key to B&O's future," is designed to clean up one of the worst bad-order situations in the country: one out of every four cars on the road is laid up for repairs. An outstanding feature is the use of an electronic computer to analyze data compiled by car inspectors and cost engineers, and insure that the financially-ailing road gets a maximum return on every dollar spent for repairs.**

"We're spending now, in order to turn red figures into black figures later on," B&O President Jervis Langdon commented last week as he announced a major new car-repair program.

He declined to estimate the cost of the program, except to say it will cut heavily into income in its initial stages—although he expects substantial future savings, through reduction of per-diem costs and through cost-cutting made possible by mass repairs on a regularly scheduled basis.

Similarly, there was no estimate of how many of the B&O's 20,000-plus bad-order cars will be repaired, or how soon. As one spokesman put it: "We're more interested in the good-order ratio than the bad-order ratio. Our new program is designed to provide selective repair of accumulated unserviceable equipment, and maintenance of an adequate car supply for future needs, on a continuing basis. What we want is the maximum number of serviceable cars at the minimum cost."

The extent of the problem which the B&O has tackled with all its brainpower (including a Datamatic computer) is indicated by the fact that while the industry as a whole is alarmed by a bad-order ratio of 9.5%, the B&O has been struggling along with 25.7% of its cars unserviceable.

First step for the B&O was the assignment (last July) of an army of 100 car inspectors to inspect every one of the 20,000 cars listed, by car foremen, as unserviceable. The job took more than a month. Some cars (about half of the total, according to one source) were found to be suitable only for dismantling; others required major repairs; still others only minor repairs. This information (along with types of repairs required) was entered on specially prepared forms. Then the data was forwarded to the Mechanical Department in Baltimore.

Next the cost engineers went to work, estimating wage and material costs and time elements. A major consideration was the number of serviceable years left in any car due for repairs. (It was early decided to dispense with all patch-work repairs; only cars with at least three years of life would be considered for inclusion in the new program.)

The task of translating this information into usable form for study and

analysis was turned over to the B&O's Datamatic computer. From this computer came three reports upon which the new program is based. One report shows estimated cost and man hours involved in repairing all of the cars inspected—by individual car number, by class and type of car, and by various ranges of repair costs. A second report lists repairs needed for each car, so that material needs may be determined. A third report pins down the location of every unserviceable car on the system.

With these reports—which will now be kept automatically up to date—B&O believes it has found "a totally new concept for keeping tab of all unserviceable cars on the system as soon as trouble develops, prompt diagnosis of needed repairs and production scheduling on a regular systematic basis."

The new car-repair program began Oct. 1, and 282 workers were immediately recalled to car shops to help do the job. Hopper cars are being repaired in the company's shops at DuBois, Pa., and Keyser, W. Va.; gondolas at Glenwood, Pa.; box cars at Washington, Ind., and Brunswick, Md. As the program gains momentum, other shops may be added.

The man responsible for the overall planning of the new program is Frederick E. Baukhages, B&O's vice president finance. He had the assistance of representatives of the operating, mechanical, methods research and procedures, and data processing departments.

Immediately in charge of the program is William J. Dixon, who has been appointed to the newly created position of industrial engineer—operating, in Baltimore. Mr. Dixon's former title was research engineer on the staff of the vice president—research and development.

ICC Gives Green Light To Tunnel Improvements

The ICC has cleared the way for a $35-million tunnel-improvement program for the city-owned Cincinnati Southern Railway. Bonds will be issued by the city to pay for a program designed to permit the road to handle piggyback and auto-rack traffic. The Interstate Commerce Commission gave its nod to the program by authorizing a modification of the lease under which the Cincinnati, New Orleans & Texas Pacific (part of the Southern System) operates the line.

The existing lease provides fixed annual rentals and corresponding percentages of profits to be paid to the city through the year 2026. Under the supplemental lease, the NO&TP will also give the city enough money to pay both the interest on and the principal of the bonds and notes issued for the improvements, when they become due.

The improvement program calls for the elimination of nine tunnels, the rebuilding of three, and the enlargement of one (RA, July 17, p. 36). It is estimated that the work will take approximately two years.

WATCHING WASHINGTON WITH WALTER TAFT

• **THE PRESIDENTIAL COMMISSION** created by former President Eisenhower to study the railroad industry's dispute over working rules applicable to operating employees has concluded the public-hearing phase of its inquiry. The dispute involves management demands for changes in "op" rules to end "featherbedding."

THE COMMISSION is a 15-member body, consisting of five representatives of management, including AAR President D. P. Loomis, five representatives of the "op" unions and five public members. One of the latter—Simon H. Rifkind, New York attorney and former federal judge—is chairman. He succeeded James P. Mitchell, who resigned to run for governor of New Jersey. While serving as secretary of labor in former President Eisenhower's cabinet, Mr. Mitchell got management and the "op" leaders together on the agreement to submit the dispute to the commission.

THE HEARINGS extended over a period of eight months, having got under way last February. The commission's decision to hold them was a victory for the management members. The union representatives urged that there be no public airing of the issues—that the commission rely entirely on studies made by its staff on consultation with "technical experts" from both sides.

AT STAKE is some $600 million a year, according to management. That's its estimate of what would be saved by eliminating "featherbedding." Elimination of firemen on diesels in road freight and yard service and relief from crew-consist laws and practices would bring the biggest annual savings—about $200 million and $150 million, respectively.

THE COMMISSION'S REPORT is due Dec. 1, but the labor-management agreement provides for a 90-day extension if requested by a majority of the commission. Presumably, this extension will be sought since the commission is expected to try its hand at mediation to bring about a settlement of the dispute. This it is authorized to do.

RECOMMENDATIONS OF THE COMMISSION, if mediation fails, will not be binding—nor will they preclude emergency-board proceedings on the same issues. But the pact does emphasize the "intent" of the parties that proceedings of the commission "shall be considered and accepted in lieu of . . . emergency board procedures."

IN A SHOWDOWN on the matter, however, this expression of intent would give way to another provision which states specifically that "nothing" contained in the agreement and "none" of the proceedings held pursuant to it "shall be construed as a waiver of any legal right or rights of the parties thereto." Former Chairman Mitchell conceded that an emergency board proceeding could result from a controversy arising out of the commission's findings, but he also said he considered that outcome unlikely.

18

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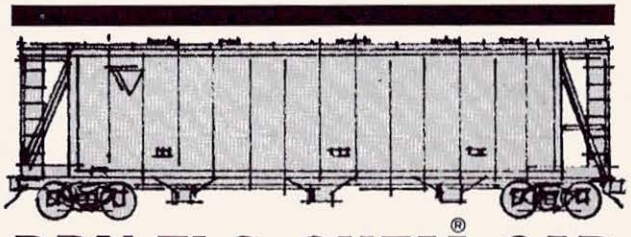

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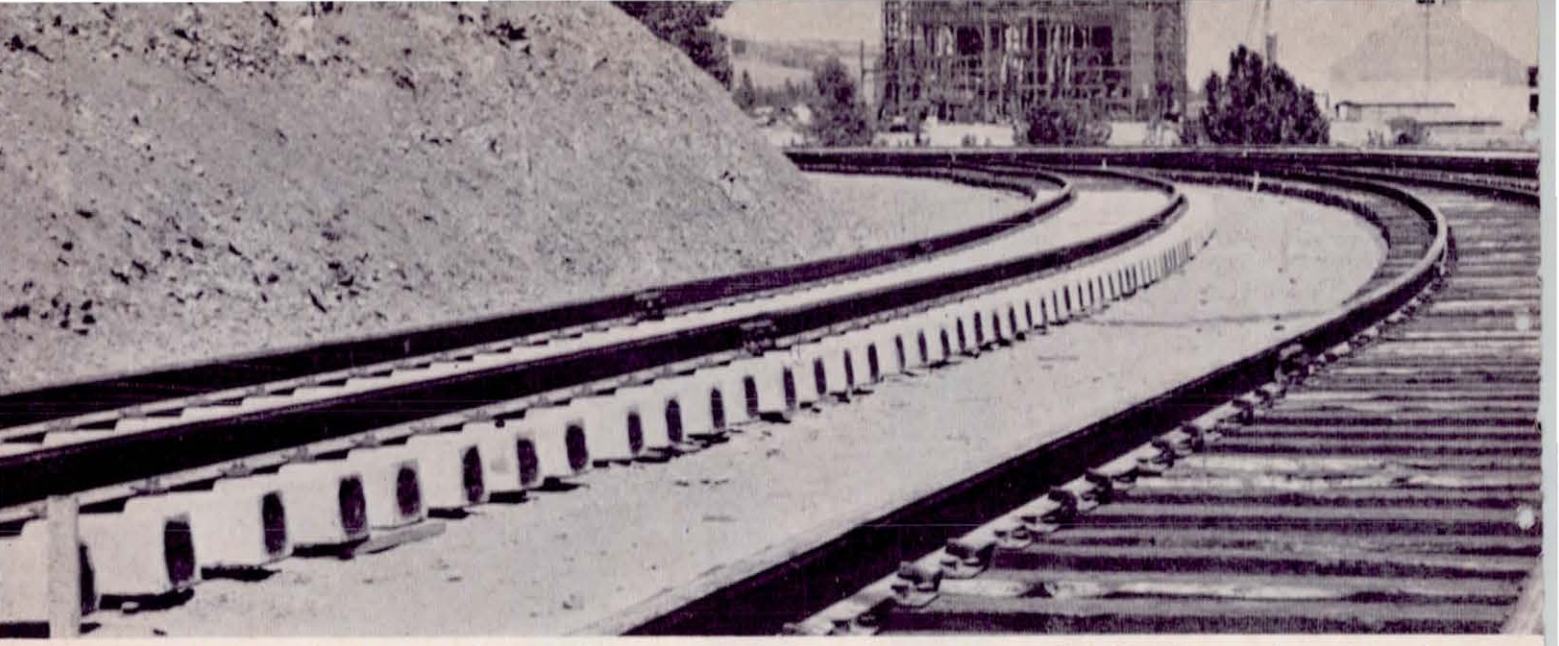


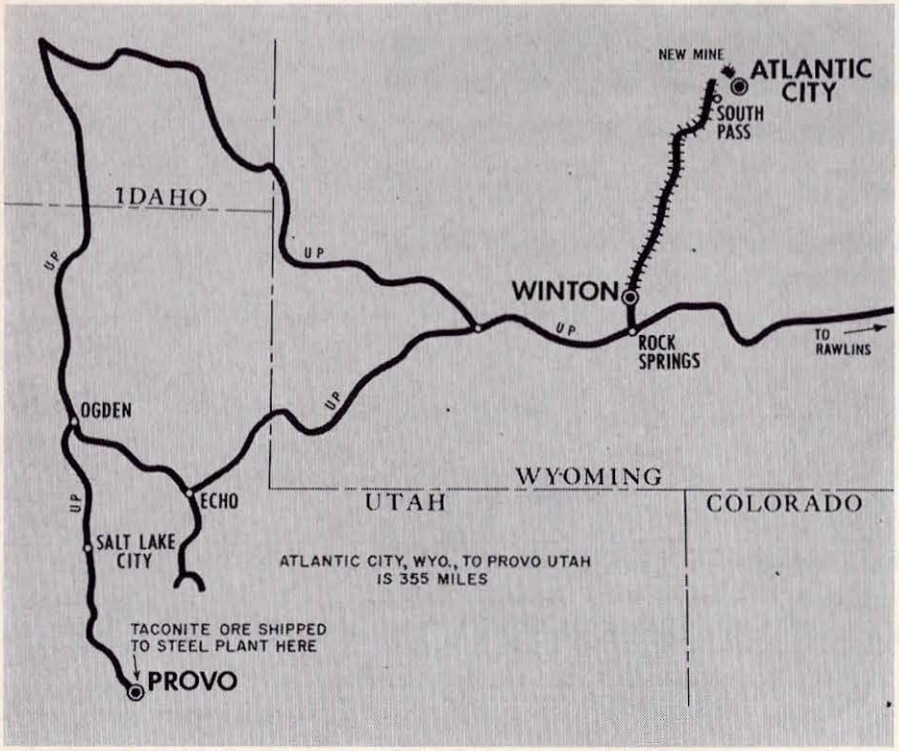
YARDS totaling about 12 miles of track were constructed at each end of the new line. Note the experimental installation of

U.S. Steel Builds New RR in

► The Story at a Glance: A 77-mile-long industrial spur has just been constructed over the Continental Divide. The line was designed to haul pelletized taconite iron ore from a new mine in Wyoming to the Union Pacific's Winton branch line. The spur is now hauling heavy materials and machinery for completing an agglomerating plant at the mine site.

The largest privately owned railroad project west of the Mississippi River in decades was recently completed a week ahead of schedule.

The line, a 76.7-mile industrial spur, is owned by U. S. Steel's Columbia-Geneva Steel Division. It was projected northerly from the end of Union Pacific's Winton branch line and extends over the Continental Divide to reach a new taconite mine and agglomeration plant at Atlantic City, Wyo. When the plant is put into operation late in 1962, the pelletized ore will move 355 miles over the spur and UP tracks to Columbia-Geneva's Provo, Utah, blast furnaces.



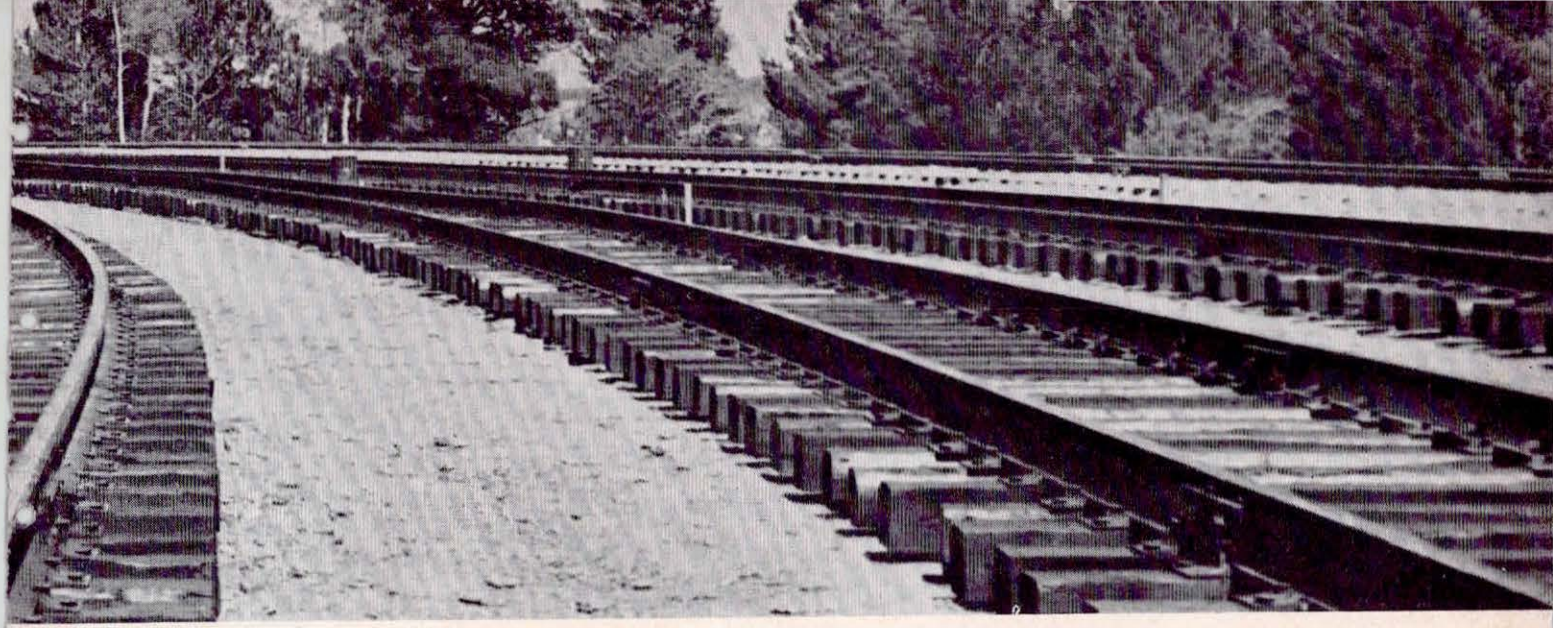
INDUSTRIAL SPUR was built through rugged country. The new route cuts through the Continental Divide at South Pass, the historic pass through which early immigrants streamed to the West.

The ore is of a type called magnetite and assays only about 30% iron. However, because steel-making capacity at Provo has more than doubled since 1946, and long-range forecasts for western steel requirements are promising, Columbia-Steel felt the need for a source of iron in addition to the one it is mining at Cedar City, Utah.

It is not practicable to ship ore having 70% waste. Columbia-Geneva, therefore, is building a beneficiation and agglomerating plant near the mine to make iron pellets assaying about 63% iron. The new plant includes general and mine-office buildings, maintenance shops, warehouses, testing laboratory and beneficiating plant, complete with crushers, conveyors, stockpile area, rod mills and magnetic separators.

The new spur was surveyed, designed and inspected by UP engineers. The road's main-line standards, including 39-ft, 132-lb rail and 10-deg maximum curvature, were used. However, some standards were modified for the specific job of handling long trains of 70-ton cars.

In going from Elevation 6,400 at Winton Junction to a summit of 8,300 ft at Atlantic City, the maximum grade was established, not for the tractive effort of the locomotives while hauling cars uphill, but for braking the loaded trains on the southbound trip. Maxi-



prestressed-concrete ties in track at left.

Wyoming

mum curvatures were made 1% descending and 2% ascending.

Other modifications were made to keep the line free of snow. The railroad was raised above ground level terrain. Flat slopes were used in cuts to permit the wind to carry away drifting snow. Also, windward slopes of cuts were made flatter than the leeward slopes to provide more room for depositing snow.

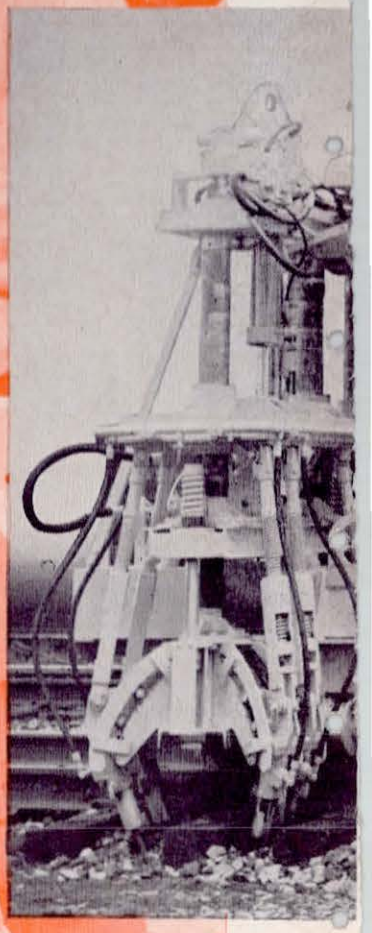
Aerial photographs and U. S. topographic maps were used to set the preliminary line, after which engineers staked the line. Standard cross-sections were taken and the grading quantities were obtained by using electronic computors. The quantities of cut and fill were balanced conventionally. The line was then resurveyed and the final line established and staked.

The new industrial spur winds across almost every kind of terrain, including prairie, sand dunes, swamps and mountains. For the first 60 miles north of Winton, the line traverses a high plateau, then in about 15 miles, climbs 1,000 ft up the Continental Divide. At Atlantic City, with the elevation 8,300 ft above sea level, it was necessary that all internal combustion engines, such as on trucks and locomotives, be specified to deliver the desired horsepower in the rarefied atmosphere at this elevation. (*Continued on page 39*)

FOUR STEEL BRIDGES were erected over rivers along the route, and a steel overpass structure was built over a state highway, in addition to numerous culverts. This structure, 120 ft long, is over the Sweetwater River.

COUNT ON TRACK
THAT STAYS UP
LONGER!

McWILLIAMS
TAMPERS



Railway Maintenance Corporation
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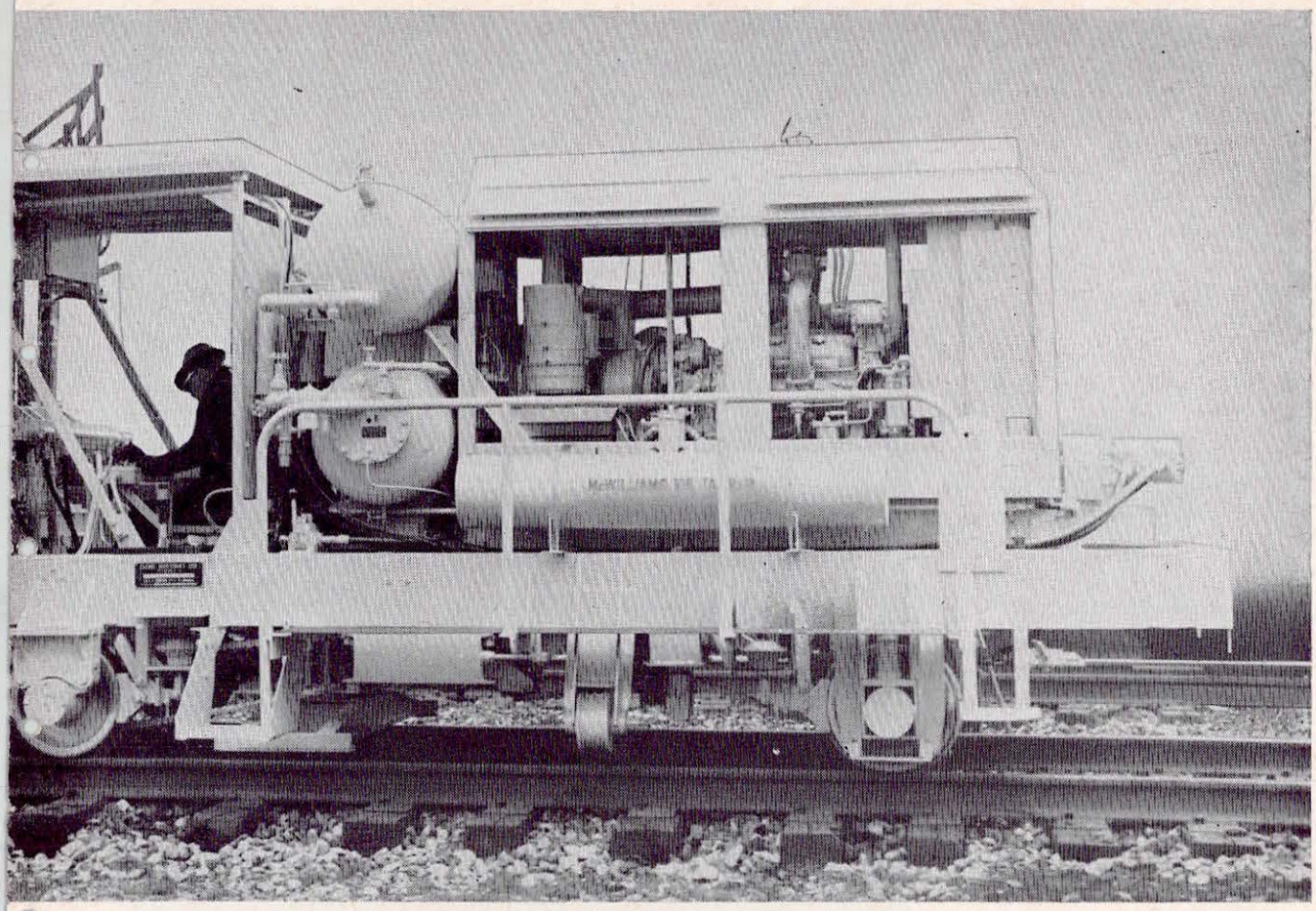
MEMBER

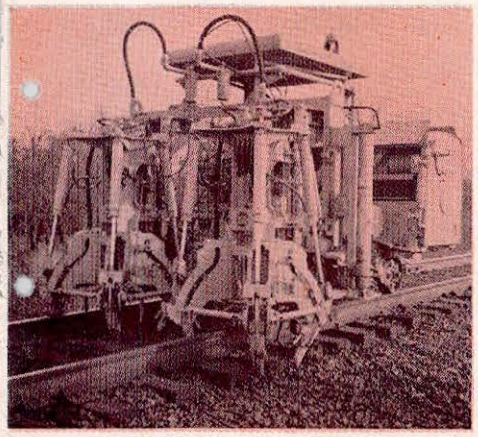
Trial and LEASE Plans



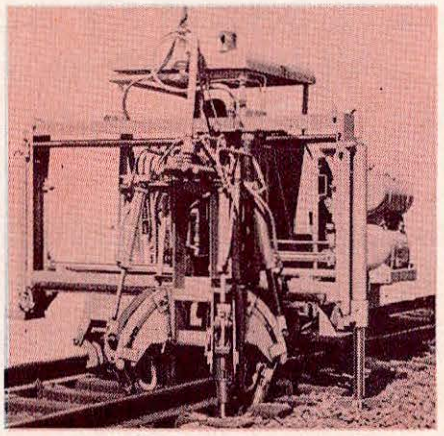
NEW McWILLIAMS AIR-HYDRAULIC PRODUCTION TAMPER

now speeds to 1000 feet/hr.

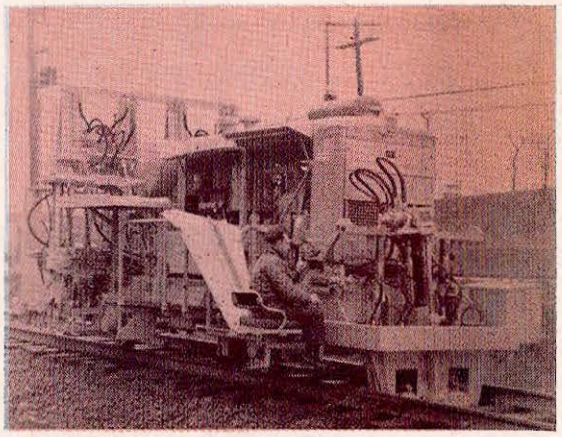
With hydraulic power now performing all operations except air-powered tamping guns . . . this tamper is at least 50% faster than an all-air unit. Provides these important characteristics, too: Automatic Cycling, for more uniform tamping . . . quicker spotting, and far better performance on grades and wet rail . . . smoother, quieter, easier on machine and operator. *Now, the lasting qualities of air tamping in a fast, easily-maintained air-hydraulic machine.*



McWILLIAMS MULTI-PURPOSE 8—The world's most versatile tamper; in one unit an 8-tool production tamper, a spot tamper, a switch tamper, a jack tamper.



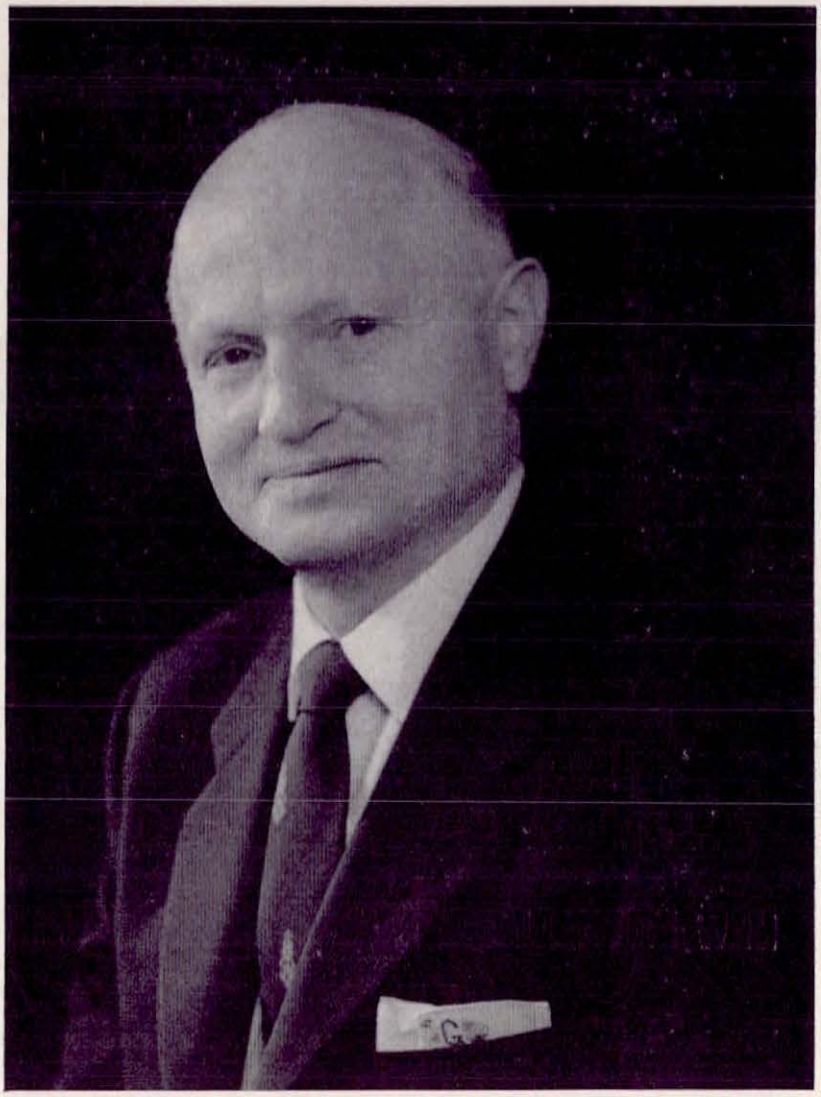
McWILLIAMS SPOT TAMPER—This is the most useful and widest used spot tamper by far. Fast, mobile, with big tamper ballast compaction.



McWILLIAMS COMBINATION—Six maintenance jobs done by one machine; surfaces joints, jacks, tamps, lines, dresses shoulder ballast, brooms ballast.

Reading Lines

E. P. GANGEWERE
PRESIDENT



"The Reading has long maintained a substantial company subscription to RAILWAY AGE, with circulation reaching a wide segment of our supervisory personnel, in all departments. We make this expenditure for one reason: we believe the 'AGE' makes a valuable contribution in helping keep our people reliably informed about newest developments in our industry. This isn't just 'desirable' - it's essential."

Rail-Truck Service Helps Builders

Milwaukee Road, together with its subsidiary, Milwaukee Motor Transportation Co., is providing a coordinated rail-truck service tailored to serve contractors operating at off-line construction sites.

The service began about two years ago when the Wanapum Dam was being built across the Columbia River in Washington. Milwaukee President William J. Quinn said, "There was need not only for rail transport, which we could and did provide—there was also the need to deliver tons of steel, cement, and other materials to off-track locations far from any siding.

"It was here that we moved to fill the gap and provided the contractors with delivery all the way to the construction sites. Operating not solely as a railroad, but as a transportation company, we originated a combined and coordinated service that filled an urgent need."

Milwaukee's efforts to combine rail and truck service under common management again proved their worth during construction of the Titan missile base, also in Washington. It has since been employed successfully at the Big Bend Dam above Chamberlain, S.D., on the Missouri River, at the Minuteman complex in Montana and on construction projects around Rapid City, S.D. The coordinated rail-truck service will also be used on traffic moving to the Minuteman missile sites in South Dakota.

"At the Big Bend Dam," said Mr. Quinn, "all the basic materials have to come from a distance to the railhead at Chamberlain. Our highway fleet has become an integrated, scheduled link in the transportation production line."

The scope of Milwaukee's diversified service is most evident in the Minuteman complex in Montana. There its trucks haul construction materials and supplies from various railheads to 165 scattered construction sites. These are spread over 20,000 square miles of rugged terrain in an irregular seven-county area, according to Mr. Quinn.

One of the big advantages of the coordinated service is its flexibility. Mr. Quinn explained that when the requirements of the job demand, rail shipments can be expedited and trucks can be selective in which cargoes they pick up first. "Responsibility for performing the entire transportation job is in the hands of the Milwaukee Road and it is to us that the contractor looks when materials or equipment are needed at the site."

AUGER CONVEYOR transfers fly ash from a Milwaukee Road covered hopper to a hopper trailer of Milwaukee Motor Transportation Co. at the railhead at Chamberlain, S. D., for the haul to the Big Bend dam site on the Missouri River. Contractors, subcontractors and equipment and materials suppliers depend on this coordinated transportation service which is scheduled as tightly as completion dates are scheduled and organized to fit the complex logistics of building a great dam or a missile site.

'Concentrate Fire,' Railroads Told

Maine Central President E. Spencer Miller urged railroaders last week to concentrate their fire on what he conceives to be Railroad Enemy No. 1—subsidized highway carriers.

"Freedom from Subsidized Competition," Mr. Miller told the New England Railroad Club at Boston Oct. 10, is the most important of the "Four Freedoms" the industry is seeking. (The others: "Freedom from Discriminatory Regulation," "Freedom from Discriminatory Taxation," and "Freedom to Provide a Diversified Transportation System.")

"Should we not organize to fight one great battle, namely, the battle of fair user charges by our competition?" he asked. "Isn't it common sense to marshall our chief force, brains and skill in the endeavor of sinking this one 375 calibre magnum into the transportation bull's eye?

"The other endeavors, comparatively 410 gauge bird shot, must, of course, be continued because without success on those fronts, we will fail before the fundamental objective is achieved. However, it has been my unpleasant experience that the sting to the opposition of the 410 gauge pellets is at once assuaged with political salve such as drastically increased highway weight allowances.

"The hard cold fact," asserted Mr. Miller, "is that we can achieve every one of the other three freedoms and all subsidiary items, and will still go down the drain, or become a subsidized creature of the government, unless the highway competition is taxed fairly and fully. Such an accomplishment will also do more to settle the problem of the private and unregulated carriers than a whole book of new regulations."

Mr. Miller vigorously rejected the "insinuation" of certain writers and Congressmen that railroad managers are "unimaginative, reactionary and unaggressive."

He charged that "upon Congress, and its individual members, lies almost solely the terrible blame for the railroad predicament and also for the dismal muddle and chaos of the whole field of American transportation today. The attempt to shift blame to railroad management is as guilty as it is unintelligent.

"Of course railroad managements differ in ability, but within a relatively narrow range."

MODERN
concrete

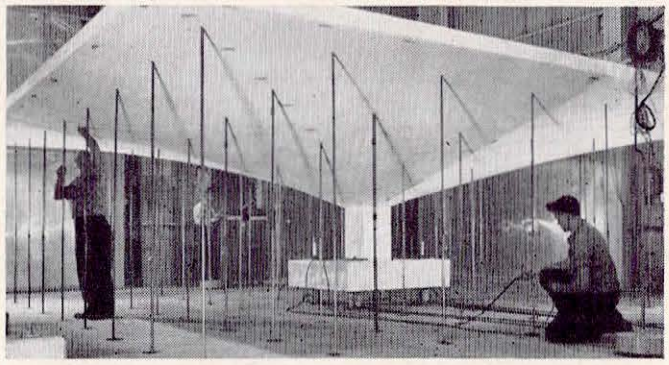
Atlantic Coast Line passenger shelter:

dramatic row of concrete "umbrellas" completed for just $1.65 per square foot

Sixty concrete shells—each 16 ft. square and with the distinctive double curvature of the hyperbolic paraboloid—form this Lakeland, Florida, passenger shelter. The repeating shells, precast on the site and erected on concrete columns, provided significant savings.

The unique geometry of the hyperbolic paraboloid produces curves that are developed entirely from straight lines. No bending or curving of form lumber required. Forms are inexpensive—and with repeated use just a few are needed. For this attractive shelter, the $1.65 per sq. ft. cost included the roof, columns, footings and drainage!

Today, progressive railroads are finding that modern concrete provides new beauty and construction economies along with the time-tested advantages of durability, fire safety and low upkeep. Write for free literature. (U.S. and Canada only.)



PCA lab tests show strength of concrete shells. Here, engineers subjected a 24-ft. square by 1½-in. thick shell to 13½ tons total downward load—applied by jacks beneath the floor.

PORTLAND CEMENT ASSOCIATION
Dept. A8b-26, 33 West Grand Avenue, Chicago 10, Ill.
A national organization to improve and extend the uses of concrete

NORTHBOUND PERISHABLE TRAIN No. 280, from Hamlet, N.C. to Richmond pulls into Raleigh, N.C. with two cabooses.

POOLED CABOOSE had been coupled ahead of Raleigh cars. Use of pooled caboose eliminates time needed for switching cabs.

SEVEN CARS AND THE REAR CABOOSE, destined for Raleigh, are cut off, leaving the rest of the train ready to move on.

OPERATION SPEED-UP—11

SAL Pooled Cabooses Cut Terminal Delays

Seaboard Air Line has expedited movement of fast freights through intermediate terminals by providing pooled cabooses on certain trains. Use of pooled cabooses permits SAL to set off cars at selected intermediate points with little more delay than is required for the crews to change.

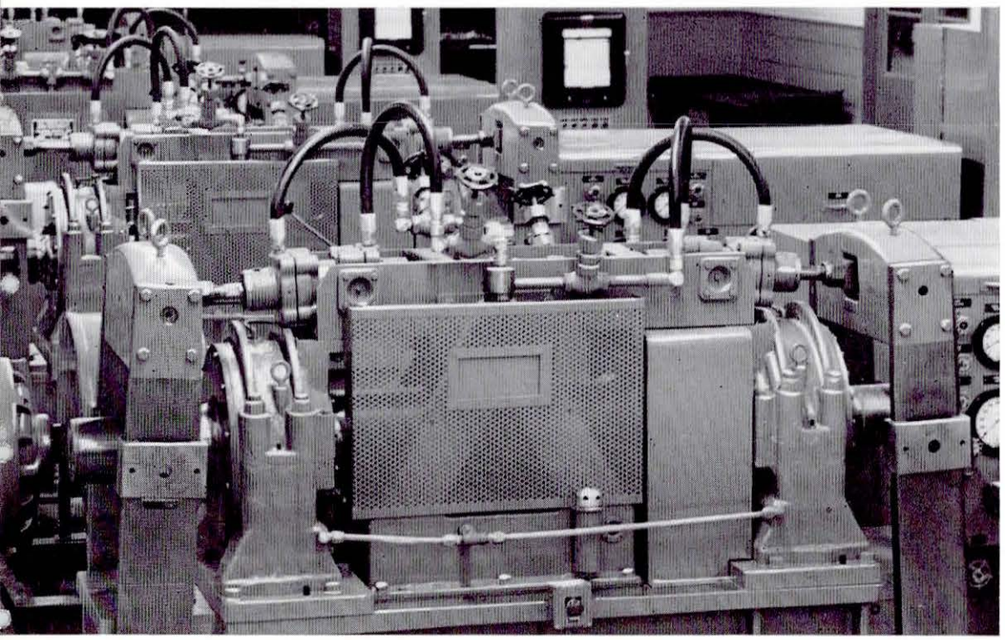
Northbound perishable train No. 280, for example, leaves the electronic classification yard at Hamlet, N. C., bound for Hermitage, Va. (Richmond) and Richmond, Fredericksburg & Potomac connections for northern markets. Crews are changed at Raleigh, N.C., and the train also carries cars destined for Raleigh. A pooled caboose is placed in the train between Richmond cars and Raleigh cars. Another caboose, for the crew that terminates at Raleigh, is placed on the rear of the train. When crews change at Raleigh, it is only necessary to uncouple the Raleigh cars. This permits the train to move through Raleigh in about five minutes.

The basic agreements between SAL and the Order of Railway Conductors and Brakemen and the Brotherhood of Railway Trainmen contain rules of long standing providing for cabooses to be assigned to specific crews, to provide them with a place to sleep and eat away from the home terminal. These rules have been modified by agreement covering certain trains between certain points, permitting the road to pool cabooses in return for an additional payment to employees for each trip.

Before the pooling arrangement, a train between Richmond and Atlanta, for example, would change crews three times—and consume between 45 and 90 minutes changing cabooses as well. Under the present agreements, time lost in caboose changes has been eliminated for hot-shot freights.

RAILROADS ARE TAKING A NEW LOOK AT **PROFITS**

BOOST PROFITS ON NON-STOP FREIGHT



EXHAUSTIVELY TESTED

Hyatt's taper freight bearing has been tested and proved for trouble-free service on the ruggedest schedules. In the lab, specially designed machines have test-proved Hyatt's reliability under radial and thrust loads—and at speeds far in excess of actual service conditions. Today on the road, individual cars equipped with Hyatt taper freight bearings are accumulating up to 7,000 miles per month . . . with no trouble of any kind.

CONTROL OF QUALITY

To insure unvarying uniformity in the processing of millions of accurate bearing parts, precise procedures and methods of measuring and inspection are employed. In addition, the General Motors "Systems Reliability" approach to quality control safeguards product dependability.

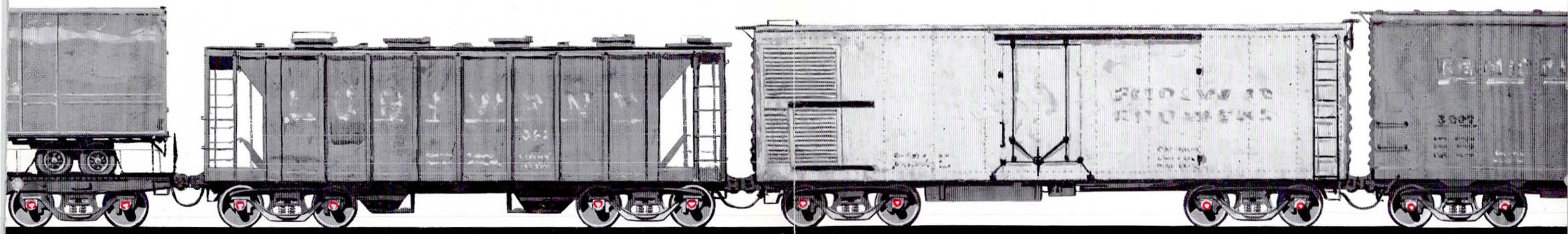
INTERCHANGEABILITY AND APPLICATION

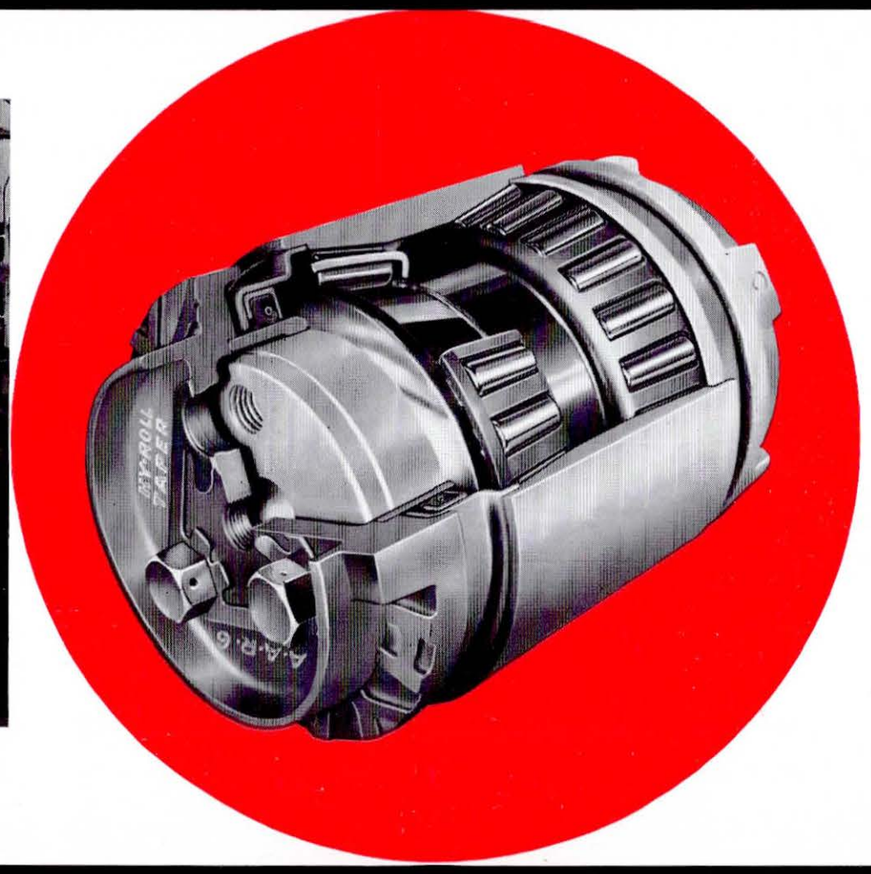
The Hyatt taper freight bearing is designed for installation in both pedestal and integral box freight car truck side frames. It employs the same adapters and can be installed interchangeably with other freight car roller bearings.

ENGINEERING SERVICE

Hyatt service engineers measure every journal for diameter and taper prior to mounting the bearing. After the bearing has been pressed on its journal, lateral is checked with a dial indicator and the reading recorded. No bearing is allowed to go into service unless it meets our exacting specifications.

WITH HYATT TAPER FREIGHT BEARINGS





HYATTS PAY FOR THEMSELVES IN OPERATING ECONOMY

With Hyatt taper freight bearings you virtually do away with costly maintenance and lubrication . . . terminal inspection time is at a minimum. This means you can roll up greater profits, because Hyatt taper freight bearings can pay for themselves in operating economy. They help eliminate delays, reduce damage claims, increase car availability, improve service and promote greater goodwill with your shippers.

HYATTS MEET TODAY'S DEMAND FOR FASTER FREIGHT WITH EASE

The fact is—Hyatt's taper freight bearing is designed for speeds of tomorrow! And when the majority of all railroads roll on anti-friction bearings, railroads can expand their earning potential. So specify the best—Hyatt taper freight bearings with *Road Reliability*. It's the best way to make way for tomorrow's better profits!

HYATT *HY-ROLL BEARINGS*
FOR NON-STOP FREIGHT

GM GENERAL MOTORS

HYATT BEARINGS DIVISION • GENERAL MOTORS CORPORATION • HARRISON, NEW JERSEY

RAILROADING AFTER HOURS WITH JIM LYNE

WASHINGTON WRECKING CREW?—"These fellows here in Washington don't really want the railroads to survive as private enterprise," writes a friend of mine who's watched the political circus there at close range for many years.

"I don't mean the top men—whether it's FDR or Truman or Ike or JFK. I mean the fellows below stairs—who write all the memos and tell the chiefs what to think and do. The man on top can't do all this work himself, so he relies on these little-known advisers.

"As proof of what I say—just you tell me one single benefit (even a negative one, like stopping something harmful) that has happened to the railroads in all the time from the Committee of Six back in the thirties, down to the present.

"What this wrecking crew is looking forward to are the job opportunities that would open up for them, once the railroads are taken over."

There's at least enough plausibility to this observation to make me feel uncomfortable, so let's change the subject.

COASTWISE CARRIERS POOR?—Some of the coastwise water carriers have been contending that the rich and powerful railroads are about to put them out of business. The ICC's "Transport Economics" for September reports that coastwise and intercoastal water carriers produced 285 million ton-miles in 1959, compared to 279 million in 1956—an increase of 2%.

Comparing the same two years, the revenue ton-miles of railroads declined 11%. The water carriers' coastwise ton-miles (not counting intercoastal) were down 3%, or only about one fourth of the fall-off suffered by railroads. Meantime, intercoastal traffic climbed by a whopping 38%.

Just which form of transportation, if any, is it that needs additional governmental protection, to enable it to survive?

MORE ON PINTSCH GAS—Howard Keyser of Safety Electrical Equipment Corp. (a descendant of the Safety Car Heating & Lighting Co.) has lent me some issues of a house organ the Safety company published back in 1910. One article describes an installation of mantle gaslights in a postal car which provided light of better than 5 foot-candles at the sorting racks.

Howard tells me his father ran a Pintsch gas plant up in Maine, and that there are some cars on this continent (mostly in Canada) still lighted by gas. Car lighting and heating is an exacting job, and not all the progress has occurred in recent years—the old-timers had performance well in hand a half-century ago.

TOP-LEVEL BOOMER—Boomers in the railroad business have become more and more uncommon in recent years—but the late Bert Williams was certainly one of them. When I first knew him he was president of the C&WI. Thereafter, in rapid succession, he headed the Lehigh Valley, Western Union, and Westinghouse Air Brake. Then he moved back to his home state, Colorado—presumably to retire—but was again in the headlines in a few months as board chairman of a Denver bank. Bert started his booming long before he hit the top jobs, having worked on some half-dozen railroads before he became a president, and he also served a hitch in the oil business.

CAPITAL GOODS CRYSTAL BALL—Ed Green of Westinghouse AB keeps his hand in on management development, among other things, by doing periodic high-level lecturing at sessions of the American Management Association. He has just sent me a copy of a recent talk of his to these people—in which he makes some pretty bullish predictions—among them one that personal income (at the annual rate of $405 billion at the beginning of this year) will go to $454 billion by the end of 1962.

Total research expenditures in the U. S. were $5 billion in 1954 and $13 billion in 1960, and may rise to more than twice the latter figure by 1969.

Some capital goods producers, Ed told his audience, have not adapted themselves adequately to changed circumstances. One thing he believes they should do is to inform themselves more fully about government business—which now amounts to one-fifth of our gross national product. And he sees big opportunities in export business. His talk was labeled "Gloom in the Boom." He sees plenty of evidence of the latter and little reason for the former.

SLOW TO INNOVATE?—I was recently asked why railroads were slow to adopt innovations. I denied that they are slow. On the contrary, they innovate to the limit of their financial ability—wherever securing agreements with other railroads or regulation do not handicap them. For example, consider the rapidity with which diesels, mechanized track maintenance, ATC, electronic yards, computers have been taken on—no severe inter-railroad or regulatory questions being involved. On the other hand, changes in standard safety equipment, in car design, in automatic brakes, in rates—these progress more slowly because inter-railroad and regulatory support are a prerequisite.

Mr. Railroader:

DO YOU KNOW THE REAL COST OF DO-IT-YOURSELF ELECTRICAL ENGINEERING AND CONSTRUCTION?

Analyze such expenditures and compare them with the low-cost of using the services of Specialists experienced in Railroad Electrical Engineering and Construction.

Cost savings and increased operating efficiency in Classification Yards, Terminals, Repair Shops, Unloading Facilities can be realized by the use of our services.

Full information will be given upon request.

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Trustees Describe NH Woes

► **The Story at a Glance: New Haven's trustees met the press last week—to enumerate problems encountered in their two-months' stewardship of the bankrupt road, and to explain why they are asking authority to issue up to $15 million in additional trustee certificates. Cash is the major problem; even with the economies of trusteeship, revenues have been running more than $1 million under actual cash requirements every month. Noting that they do not plan "to make a career out of this reorganization," the trustees pointed out that the $15 million they seek will buy from 10 months' to a year's time for the public to determine how much New Haven service it needs —and is willing to pay for.**

"We do not intend to resort to repeated borrowings," says New Haven Trustee William J. Kirk. "We're not going to make a career out of this reorganization."

Mr. Kirk and his fellow trustees, Harry W. Dorigan and Richard J. Smith, had called a press conference to explain why they are petitioning for an order authorizing issuance of up to $15 million in trustee certificates that would, under section 77(c)(3) of the Bankruptcy Act have priority over existing obligations. The New Haven trustees have already issued $5 million in such certificates (RA, Aug. 7, p. 7).

The key problem of the last two months, during which the road has been operated under the three-man trusteeship, has been lack of cash. "The cash box was drained pretty completely," Mr. Dorigan notes. "We had $3 million on the books—all due for obligations that had to be paid immediately. In effect we had no working capital. The application for the first $5 million in certificates started prior to our being confirmed. The closeness of timing ran to a matter of hours in getting that money into the banks to meet payroll drafts out against us." New Haven's payroll is $1.5 million a week, Mr. Dorigan added.

Revenues have been insufficient to meet cash requirements of operating the railroad. In July and August, cash requirements exceeded revenues by $1.5 million, Mr. Dorigan said. This difference between revenues and requirements has been cut back to $1,150,000, Mr. Dorigan noted, but it is likely to remain at that point for the next two or three months.

Thus the $15 million in additional cash, if received, will permit operation to continue for 10 months to a year. As Trustee Richard J. Smith put it, "Assuming there is no catastrophe—such as another hurricane—and we secure authority to issue up to $15 million worth of our trustee certificates, I do not think that we will have to close down any of the services we are now providing because of lack of funds before the end of a year." But, Mr. Smith continued, "in the ordinary course of efficient management, we may well propose and put into effect changes that we believe are called for. On the other hand, if we have a catastrophe, or if we don't get authority to issue the certificates as needed, continuation of services beyond a month or so is greatly in jeopardy."

In their petition to the Federal District Court at New Haven for authority to issue the additional trustee certificates (scheduled for hearing Oct. 17), the trustees made it clear that they "cannot and do not intend to operate the road very long on repeated borrowings. First, a continuing deficit operation is not feasible. Second, it will unwarrantedly jeopardize the creditors and other interested parties. Third, it is incompatible with private ownership and management.

A Smaller Railroad?

"The trustees, however, have the right and duty under Section 77 of the Bankruptcy Act to operate the road for a period of time that is reasonable to determine whether reorganization is feasible and, if so, what a plan of reorganization may properly encompass. The trustees presently believe that certain operations are profitable or may be made so. On the other hand, it is reasonably apparent at the present that certain other operations, particularly much of the passenger operations, cannot be operated profitably and therefore cannot be continued unless adequately financed by public funds.

"The trustees stand ready to provide such passenger service as the federal, state and municipal authorities may decide is essential, provided the railroad is properly and adequately compensated for this inherently unprofitable service.

"The trustees are investigating the feasibility of shrinking the facilities and operations of the railroad. . ." Among studies the trustees mentioned: abandonment of certain branch lines; reduction in size of certain major facilities, including South Station and other passenger facilities; what trackage on main and secondary lines is required for future operations; future use of the Cos Cob power plant; New York harbor facilities and floating operations; analysis of freight operations, including TOFC; review of the functions of the New England Transportation Co. (New Haven's truck subsidiary); detailed examinations of passenger-fare structures and passenger operations directed toward a reduction in passenger service loss—which might mean, Mr. Dorigan said, a simplified passenger-rate structure with lower fares in some cases and higher fares in others, all with the goal of creating maximum revenue per train mile.

Economies that have already been put into effect, the trustees said, include reorganization of the traffic department at annual savings of $265,000 and "rejection of certain equipment contracts, covering two low-center-of-gravity specialized passenger trains, producing a cash saving of about $200,000 in each of the next three or four years."

At this juncture, said Trustee Smith, "we have no concrete plans for the permanent operation of the railroad. We're conferring with public bodies, shippers, people interested in passenger service, etc. We need the months ahead to complete these conferences so we can reach an agreement for a concrete plan. . ."

"We may need lay offs," Mr. Dorigan added, "changes in service—a streamlining of the railroad to bring it down to a size that can be economically operated in freight service, in passenger service, in commuter service. Within a year, we should be able to determine whether it is feasible to recommend a plan."

There have been attempts by local communities to ease the New Haven's situation, Mr. Dorigan said. Old Saybrook, Greenwich, and a few other communities have offered to take over the maintenance and painting of passenger stations within community limits, he said. However, agreements with New Haven employees specify that all such work is to be done by union forces. Since the New Haven has no money for such work, it is not now being done, by NH employees or by anyone else. But the NH has not been granted permission by the unions to have the work done by non-union forces. Old Saybrook, Mr. Dorigan said, agreed to make a contribution in money rather than in volunteer labor, so that the NH could pay its forces and thus get the work done.

"We're gathering together a number of these incidents," Mr. Dorigan said, "which we'll have to go into in determining what the possibilities of reorganizing the railroad are."

'Travel-America' Pass for Foreigners?

The Eurailpass is a real attraction for American tourists in Europe. The major point for its success is its sheer simplicity. It is good on all trains on all railroads in Western Continental Europe. It covers extra fare and seat reservation charges. Except for sleeping car space, it requires no additional expenditures. Eurailpass is pretty much like a white card pass on any U.S. road.

Any resident of the Western Hemisphere may buy a Eurailpass at $110 for one month, $150 for two months and $180 for three months. The pass is no larger than the familiar conventional pass here and bears only a serial number, the holder's name and passport number, and his signature on its face. It has to be presented for endorsement on the day of its first use; thereafter the holder need never queue up to the ticket wicket unless he wants sleeping car space.

Advantages to outlanders are numerous. No line-ups, no embarrassment because of language problems, complete flexibility of routings, and the opportunity to change or initiate travel plans right up to train departure time. The holder is a V.I.P. on railroad property. Railway men from Oslo to Lisbon, from Ostende to Lausanne greet Eurailpass travelers with a smile—some even salute.

But the real miracle of Eurailpass is its administration—a case of the complex reduced to the ultimate in simplicity. There are 13 members—"the Inner Six" and "the Outer Seven"—minus Great Britain, plus Spain. Revenues, after a deduction of 7% commission if sold through a travel agency, are proportioned between the nationalized roads of the 13 countries. Divisions were at first on a purely arbitrary basis. More recently they have been adjusted on the basis of travel pattern samples. The 13 individual carriers provide a secondary apportionment, again on an arbitrary, to private carriers, for Eurailpass is honored on private roads and on steamer lines as well.

When introduced in 1959, 5,015 passes were sold. Sales in 1960 doubled to 10,725. To August 31, 1961, 12,882 were sold. Approximately 42% are for one month passes, 42% for two months and 16% for three months. Eurailpass will be a two-million dollar business by year's end.

The Department of Commerce's new Travel Office could administer a travel-America pass valid on all U. S. common carriers.

Greyhound's and Trailways' "99-days for $99" for overseas tourists is already popular. London's Daily Telegraph describes it as a "symbol of a new, and this time serious, effort to persuade Europeans to visit America . . . " But the visitor is restricted to travel by one means, and not necessarily a happy one for long transcontinental hops. He is also restricted to one company and its routes.

NEEDED: A pass good on rail, road and air alike. Statesmanship on the part of all carriers is needed, for all must participate to make such a plan attractive.

FINANCING: It might be a deficit operation, but what better way to promote "See America Next"? Some measure of help for the travels of overseas visitors is surely justified to meet the aims of the new Commerce Department's Travel Office, and all passenger carriers should welcome any new revenue, especially from almost wholly new sources.

Robert B. Lewis

PUBLISHER

ICC Opens Hearings on GN-NP Merger

► **The Story at a Glance: Unification of Great Northern, Northern Pacific and their subsidiaries—Chicago, Burlington & Quincy, Spokane, Portland & Seattle and Pacific Coast Railroad—is more essential than ever so that "wasteful duplication of services and facilities be eliminated" to provide a more efficient over-all transportation service and to meet intensified external competition. So testified NP President Robert S. Macfarlane, first witness appearing before an ICC examiner in the initial round of public hearings on the merger application of the western roads.**

Opposition to the merger will come from labor groups, some state regulatory commissions and from competing railroads seeking restrictions to preserve competitive advantages.

Merger discussions initiated informally more than six years ago by Northern Pacific and Great Northern Presidents Robert S. Macfarlane and John M. Budd reached ICC hearing stage last week. ICC Examiner Robert H. Murphy opened formal hearings on the western roads' merger applications in St. Paul, Minn., Oct. 10. Indications point to a date in late 1962 before all the testimony will become part of the record.

At stake is the hoped-for unified operation of Great Northern, Northern Pacific, Pacific Coast, CB&Q and SP&S as a 17-state, 24,000-mile railroad—the Great Northern Pacific & Burlington Lines, Inc.

The plan of merger, as outlined in the merger applications (RA, Feb. 27, p. 153), calls first for merging GN and NP and GN-owned Pacific Coast into the new company (GNP&BL). Following completion of the northern lines merger agreement, CB&Q will be merged into the new company. Next stop will be to lease SP&S (owned 50-50 by GN and NP) for a period of 10 years. The new company will also acquire control of subsidiary properties and trackage rights held by all roads involved in the merger.

Under terms of the merger agreement, GN stockholders will receive one share of common and a half share of preferred GNP&BL stock for each GN share held; NP shareholders will each receive one share of GNP&BL common for each share of NP. Three and one-quarter shares of GNP&BL common will be exchanged for each share of CB&Q stock publicly held. The 98% of Burlington stock owned by GN and NP will be conveyed to the new company.

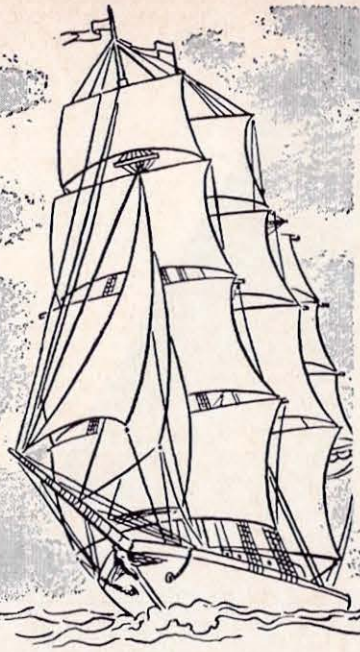
Leading off the procession of 21 witnesses the merging roads presented to offer direct testimony at the first round of hearings, NP President Macfarlane summarized what he called "the overriding consideration" in connection with the merger application.

"It is part of sound and accepted American political and business philosophy that government ownership and operation of transportation is not in

(*Continued on page 36*)

Why Rust-Oleum is different—

and what this difference, backed by 35 years of industry proof, means to you!



A Sea Captain developed it . . . Industry proved it!

The original Rust-Oleum formula was developed nearly fifty years ago by Sea Captain Robert Fergusson, who became intrigued with the rust-stopping qualities of fish oil early in his career. Creating a *special treatment* for the fish oil, he used the *specially-processed fish oil* as the vehicle in combination with fine rust-inhibiting pigments. The result? A coating that actually *stopped rust* when applied directly over sound rusted surfaces, after scraping and wirebrushing to remove rust scale and loose rust. Possible, because the *specially-processed* fish oil penetrated the rust to bare metal. This was the birth of Rust-Oleum's *exclusive* 769 Damp-Proof Red Primer.

AS ALWAYS, QUALITY IS YOUR BEST BUY

Whether it's the Rust-Oleum New Color Horizons System of primers and colorful top coats to stop rust and beautify buildings, bridges, tanks, towers, etc.,— or R-570, the new one-coat, work-horse finish for rolling stock—Rust-Oleum quality can help to save you time, money, and costly metal. See for yourself. Consult your Rust-Oleum Railroad Specialist, or write for complete information including actual color standards.

RUST-OLEUM®

There are imitations, but only *one* Rust-Oleum. It is distinctive as your own fingerprint.

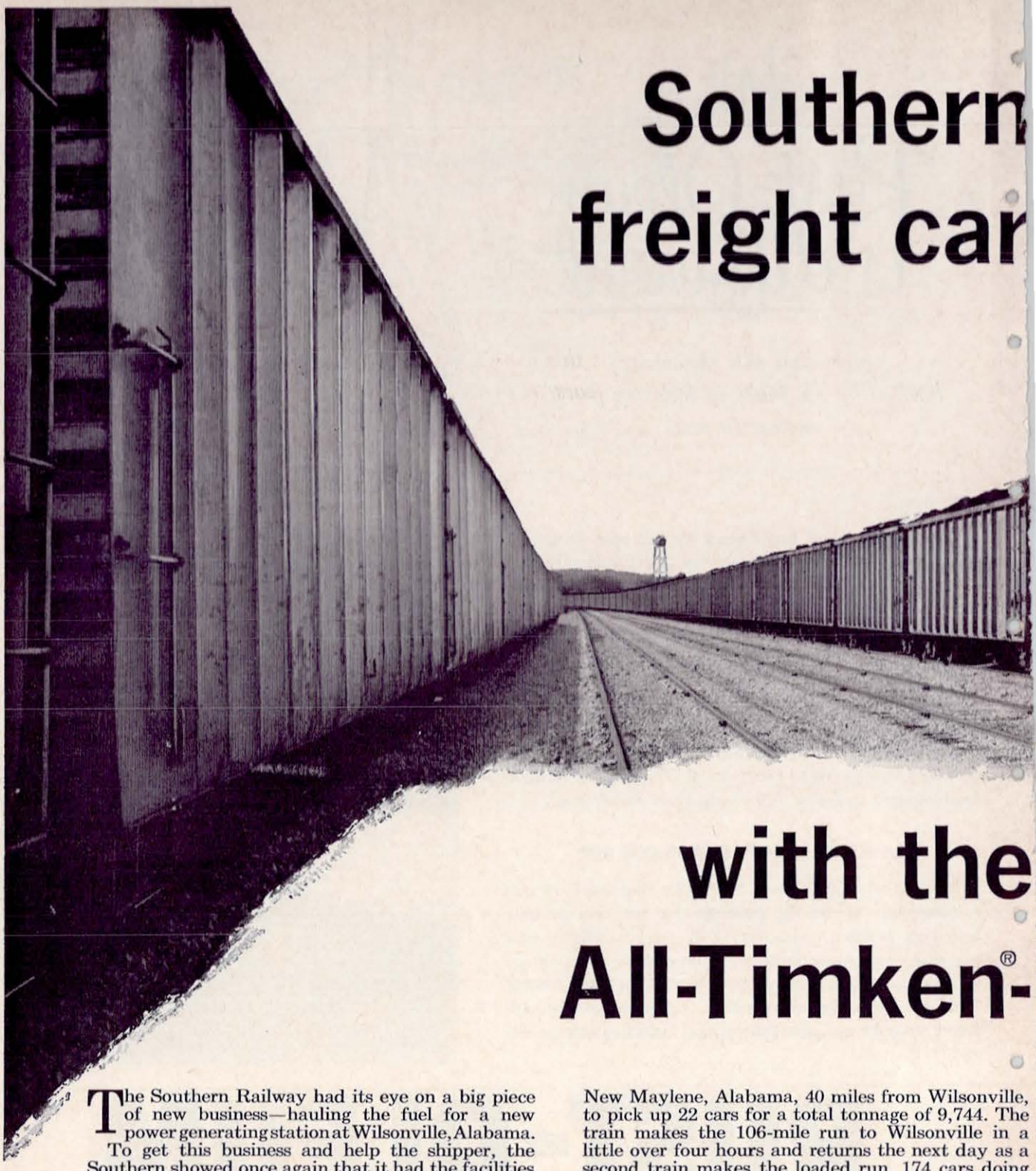
STOPS RUST!®

ATTACH TO YOUR LETTERHEAD

Rust-Oleum Corporation
2623 Oakton St., Evanston, Illinois

Please send me the following at no cost or obligation:

- ☐ New 1960 New Color Horizons System Catalog —38 pages of factual information including color standards.
- ☐ Free test sample of Rust-Oleum 769 Damp-Proof Red Primer to be applied over sound rusted surfaces.



Southern freight car with the All-Timken®-

The Southern Railway had its eye on a big piece of new business—hauling the fuel for a new power generating station at Wilsonville, Alabama.

To get this business and help the shipper, the Southern showed once again that it had the facilities and the imagination to do the job. It started with a new kind of car—giant gondolas with aluminum for everything above the center sill. The result was that by converting tare weight to revenue capacity, the Southern was able to haul 112 tons per car!

These new cars cost $21,000 apiece—not an investment to keep around the repair track. And to help make sure they stay in service, the Southern specified Timken® "AP" tapered roller bearings for the axles—making it an all-Timken bearing train. It cost the railroad less than 5% extra—and helped them get new business and make a profit on it. Each car brings in about $18,000 revenue annually.

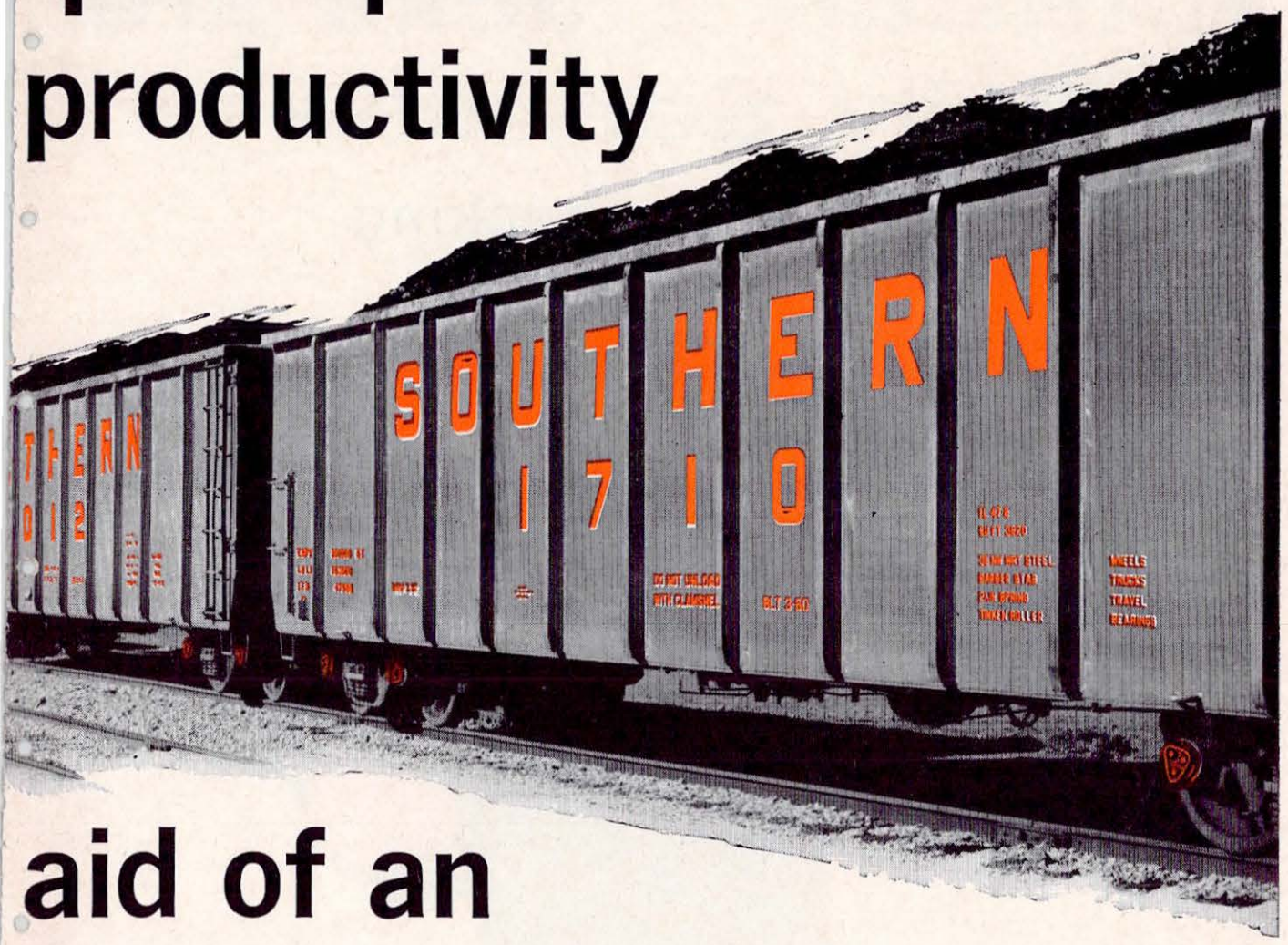
Now, every working day, a 65-car train leaves the mine at Parrish with a 7,280-ton load, stopping at New Maylene, Alabama, 40 miles from Wilsonville, to pick up 22 cars for a total tonnage of 9,744. The train makes the 106-mile run to Wilsonville in a little over four hours and returns the next day as a second train makes the loaded run. 174 cars doing the work of 870 conventional cars, says the Southern.

More and more railroads are turning to Timke heavy-duty bearings to deliver better service to shippers and to cut maintenance and operating costs.

Timken bearings average more than a hundred million car-miles between setouts caused by overheated bearings. They cut terminal time because they require only visual inspection, will roll four years without additional lubricant.

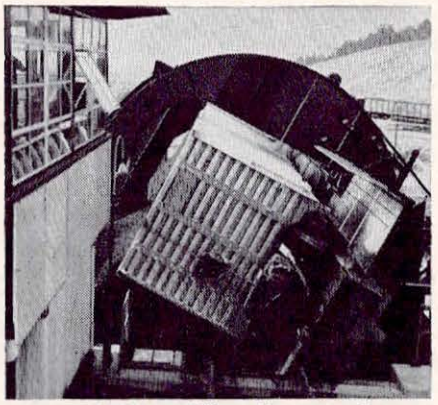
To date 106 railroads and private car owners hav over 80,000 cars on Timken "AP" tapered roller bearings in service or on order. Now's the time to make the switch to lower costs and bigger profits. The Timken Roller Bearing Company, Canton 6, Ohio. Cable address: "TIMROSCO".

quintuples productivity

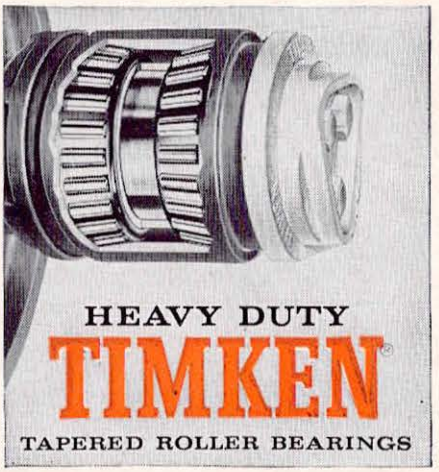


aid of an Bearing train

AT THE MINE, at Parrish, Alabama, a 65-car Southern train is loaded each day. Intensive utilization of these high cost cars makes the system practical. And Timken bearings help keep the cars in service.

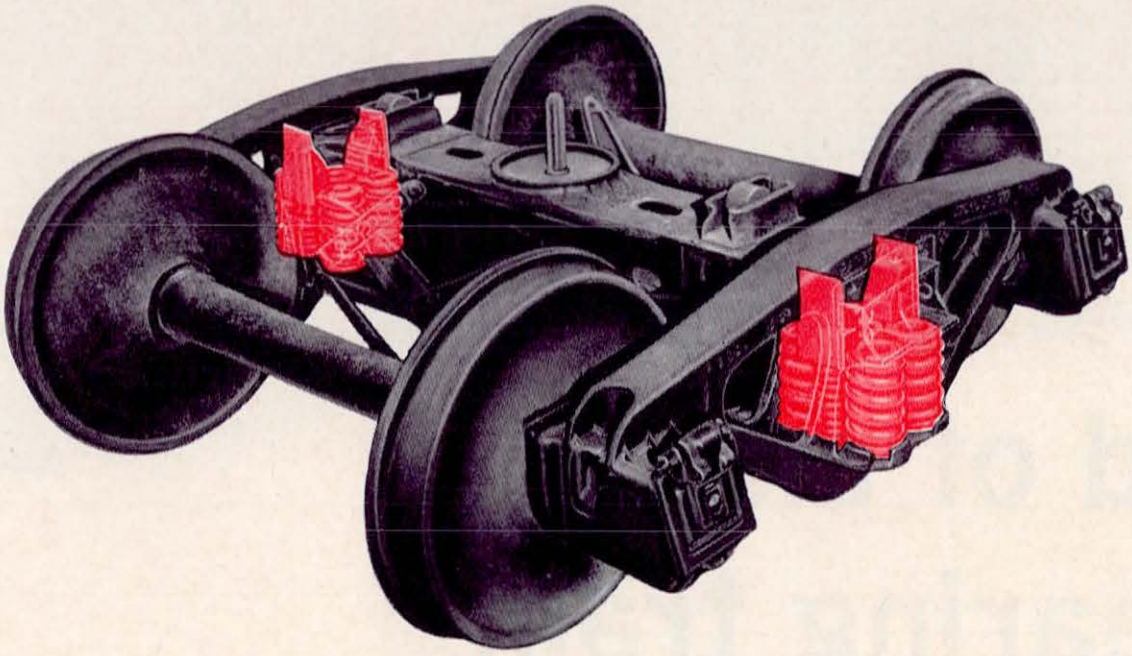


106 MILES AWAY, at Wilsonville, rotary dumpers empty cars in 90 seconds. In about three hours the train is ready for its return trip. This assured availability helps make one-way service profitable.



Over a Million BARBER Trucks are in Daily Service—

Thousands in Piggybacking



Passenger train speeds
and mileage are taken in stride
by this simple, rugged truck.

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Railroads Win 'Oscars' For Stockholder Reports

Nine railroads and three railroad suppliers will receive awards in the annual Oscar-of-Industry competition for the best annual stockholder reports. In addition, a railroad won the Oscar-of-Industry award in the transportation field for the best annual report advertisement. The awards are sponsored by Financial World, a weekly business publication.

Winners in the category of railroads having revenue over $250 million are the Pennsylvania (a Bronze Oscar winner); the Union Pacific (second place), and the Canadian Pacific (third place).

In the $60- to $250-million class, Great Northern took the Oscar, with Seaboard Air Line and the Nickel Plate in second and third places.

For railroads having revenue under $60 million, the Bangor & Aroostook, Western Pacific, and Pittsburgh & Lake Erie came in first, second, and third, respectively.

American Steel Foundries took the Oscar for railroad equipment suppliers, with Pullman, Inc., and National Castings Co. placing second and third.

The Oscar in the transportation category for excellence in the field of annual report advertisements went to the Norfolk & Western.

The awards are given out each year at an annual banquet. This year's affair will be at New York's Statler Hilton Hotel Oct. 30.

Current Publications

NEW BOOKS

STEAM POWER OF THE NEW YORK CENTRAL SYSTEM, Volume 1, Modern Power, 1915-1955, by Alvin F. Staufer. 224 pages, illustrations, drawings. Alvin F. Staufer, Steam Power of the New York Central, Box 57, LeRoy, Ohio. No price given.

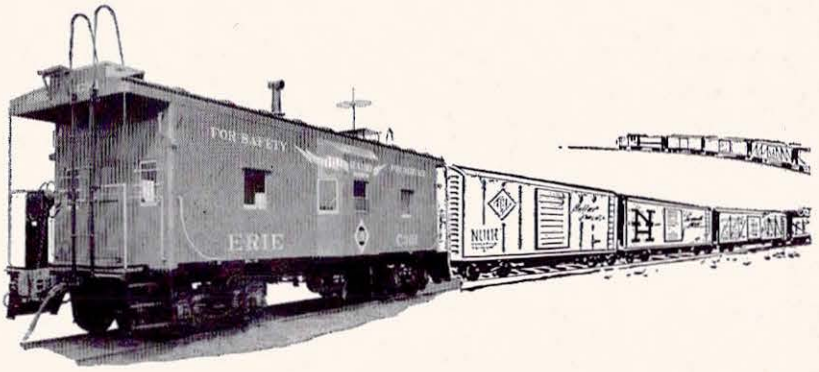
TRANSPORTATION AND URBAN LAND, by Lowdon Wingo, Jr. Charts. Resources for the Future, 1775 Massachusetts Ave., N.W., Washington 6, D.C. $2.

EARLY HISTORY OF A RAILWAY ORGANIZATION, by Leland H. Jenks (includes reprint of a series of articles on the Historical Development of the Organization of the Pennsylvania Railroad which appeared in the Railroad Gazette in 1882). The Business History Review, Summer, 1961 issue. Business History Review, 214-16 Baker Library, Harvard University, Soldiers Field 63, Boston.

DIRECTORY OF AMERICAN COUNCIL OF INDEPENDENT LABORATORIES, INC., 1961; A Guide to the Leading Independent Testing, Research and Inspection Laboratories of America. 114 pages. American Council of Independent Laboratories, Inc., 4302 East-West Highway, Washington 14, D.C. Free when requested on company or official letterhead.

LAST

...but not least



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If you want something special... go to a specialist. That's what we are in the caboose business. We build more crew comfort into them. You get more crew efficiency because of them. Most of America's leading railroads have proved this fact, too. International cabooses are far better built. They cost less per year to maintain. They stay in service long after the average caboose has journeyed to the junk yard. In other words, whether you choose our standard models — or write your own specs — if it bears the name INTERNATIONAL, you'll get your money's worth... and more... in service and satisfaction. Interested? Write International Car Division, 2485 Walden Ave., Buffalo 25, N. Y.

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LETTERS FROM READERS

How to Win Support

New York

To the Editor:

The heart of the letter of W. R. McGee in your Aug. 21 issue [p. 11] seemed to be: "Our shippers have too much to do to fight with the railroads to provide the service to enable their customers to stay in business." In many areas the railroads have not demonstrated ability to provide consistent, dependable service, a matter far removed from government policies. When we have shown this ability, then I believe we will not have to ask shippers to join our fight, they will clamor to join with us.

Your "Railroading After Hours" column of Aug. 28 [p. 20] provides an interesting footnote to Mr. McGee's letter. Concerning rates or service you said: ". . . There's no use reducing rates to attract traffic unless car supply is built up to parallel the resulting increase in demand."

G. A. Bennewitz, Jr.
Research Analyst,
New York Central

[Shippers clamored for railroad service 100 years ago, when railroad service was considerably less than 100% perfect. We believe it is worth their while to help maintain railroad service today, even in those instances when it is still somewhat short of perfection. This doesn't mean, of course, that railroads should not maintain the best service of which they are capable.—*Editor*]

What Non-Ops Want

St. Paul, Minn.

To the Editor:

The article on the Action Page of your Sept. 18 issue, entitled "What Target for Non-Ops" was quite thought provoking.

I am sure there are as many partisan views and schools of thought on this subject from both sides of the bargaining table as there are stockholders and railway employees (your partisan views included).

Let me qualify myself before proceeding. I have been a railroad employee since 1937 and a journeyman machinist for 19 of those years. The last eight years, I have served as general chairman for this craft.

Your question: "What motive, then, could these labor leaders possibly have in pressing for a substantial increase in wages at such a time as this?" Our labor leaders, like the top railroad officials, are motivated it is true by different forces. Labor leaders by their membership and railroad officials by the board of directors, etc. Both having, I believe, a just and sincere cause to secure what each considers a fair return for their investment or for our labors spent. As to the proper time to seek increases, this matter is truly only a question of who is paying and who is receiving.

Your question: "Do unions want nationalization?" This answer has always been clear from labor's standpoint. Absolutely not! We of organized labor have always professed the doctrine of free enterprise. . . .

Your question: "Is more money the real goal?" Certainly more money is the goal. It is just as real to the railroad worker as to the stockholders or carrier officers. However, be assured it is not the only goal that labor seeks and we hope not the only one for the stockholders. Basically the carrier employee is seeking security and this is nothing new as it started with the beginning of man. You attempt to create a picture of lack of cooperation on the part of the railroad employees and the brotherhood organizations. . . .

In many instances this writer has experienced frowns and direct opposition from the carrier when offering management and labor cooperation. We believe this is perhaps a lack of understanding and foresight. The records will certainly show both governmental and special interest groups have formed committees from time to time over a period of years to study the plight of the railroads and recommend steps to be taken to assure sound progress. . . .

We refer you to the report of the National Transportation Committee in New York, 1933. This was a special interest group committee which made many sound recommendations, some of which are being first applied at this time. . . .

The problems of our railroads are certainly known to those who are directing the affairs of these carriers and therefore it is not fair nor is it realistic to attempt placing the responsibility for the carriers' failures and inabilities to keep abreast with the times on the people who operate these carriers and the meager wages they receive. Certainly these railroads have some of the best brains in the country at their disposal, therefore in this whole process of coming abreast with the times, technologically and competitively in the transportation industry, there is an absolute necessity to integrate this financial and technological know-how with integrity, trust and the true willingness to carry out mans' obligation unto his fellow man.

You refer to the AAR's Magna Carta and then state: "It is true the unions have supported some of these goals—but, so far, they have never put the same kind of organized drive behind measures designed to promote the health of the industry that they have in behalf of demands for increased wages and parallel benefits."

What about the joint efforts of "Ship by Rail" and other joint efforts in the halls of Congress? Kindly consider this question, "What joint effort can you expect from a railway employee who lost a job due to a merger or abandonment and the carrier takes the position he is out of work because of a natural decline in business. . . ."

You further state: "Wage demands, if pressed at a time like this, will hinder (and perhaps circumvent entirely) attainment of industry growth and prosperity, which beyond any doubt is what most railroad employees really want, first and foremost."

History will again establish the fact from the standpoint of the transportation industry that it was never the right time for labor to ask for wages or any other improvements which would raise the social standards of these people. It also proves that the cost of labor has directly forced technological progress in this country and this we believe is good and as it should be.

Now then, basically, what does labor want?

1) Job security.

2) A living wage, that is, under conditions which he and his family can maintain spiritual and social dignity in their community.

This is no more than the desires of the stockholders or carrier officials. In your entire article, you are reaching out to the employees in an attempt to create a medium of understanding on the railroads' plight. . . .

Yours for remembering every agreement has two covers and if the rules between them are written and administered with integrity and understanding, we will have cooperation and progress.

R. E. Stenzinger
General Chairman
District 32, I. A. of M.

[Mr. Stenzinger also included in his letter some paragraphs—which we could not include for lack of space—telling of the worries of a machinist sitting almost alone in a 15-stall roundhouse, where only 2 stalls are now in use. Our question to Mr. Stenzinger and to all non-ops is: "Just how much good is 25¢ more per hour going to do this lonely machinist? Suppose it forces closing down the remaining two stalls in this enginehouse"—*Editor*]

Market Outlook

Carloadings

Loadings of revenue freight for the week ended Oct. 7 were not available as this issue went to press.

Loadings of revenue freight for the week ended Sept. 30 totaled 638,268 cars; the summary, compiled by the Car Service Division, AAR, follows:

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For the week ended Saturday, Sept. 30

District	1961	1960	1959
Eastern	92,100	91,584	86,668
Allegheny	107,354	105,505	85,582
Pocahontas	57,545	51,426	47,625
Southern	117,364	113,440	118,849
Northwestern	96,764	96,778	68,341
Central Western	117,685	120,645	114,340
Southwestern	49,456	52,849	50,947
Total Western Districts	263,905	270,272	233,628
Total All Roads	638,268	632,227	572,352
Commodities:			
Grain and grain products	54,947	61,729	50,388
Livestock	7,349	8,109	8,949
Coal	112,821	108,716	104,167
Coke	7,909	5,513	3,323
Forest Products	40,899	38,959	41,478
Ore	53,284	48,438	9,761
Merchandise l.c.l.	29,222	36,997	43,457
Miscellaneous	331,837	323,766	310,829
Sept. 30	638,268	632,227	572,352
Sept. 23	605,842	617,673	587,611
Sept. 16	594,338	598,741	577,457
Sept. 9	512,726	480,065	477,616
Sept. 2	599,349	577,206	547,806
Cumulative total, 39 weeks	21,083,518	23,279,994	23,418,064

PIGGYBACK CARLOADINGS.—U. S. piggyback loadings for the week ended Sept. 30 totaled 13,461 cars, a new record, compared with 12,224 for the corresponding 1960 week. Loadings for 1961 up to Sept. 30 totaled 433,019 cars, compared with 414,862 for the corresponding period of 1960.

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New Equipment

FREIGHT-TRAIN CARS

► *Louisville & Nashville.*—Last week took delivery of the first of 40 new 90-ton aluminum covered hoppers from Pullman-Standard (RA, May 29, p. 71). The cars, based on P-S's PS-2 covered-hopper design, have a light weight of 53,000 lb and utilize aluminum plate extrusions and castings supplied by Aluminum Company of America. They will be assigned to alumina service.

► *Bad Order Ratio 0.7% Higher Than Last Year.*—Class I roads on Sept. 1 owned 1,623,990 freight cars, 47,788 less than last year, according to AAR report summarized below. Bad order ratio was 0.7% higher than on Sept. 1, 1960.

	Sept. 1, 1961	Sept. 1, 1960	Change
Car Ownership	1,623,990	1,671,778	—47,788
Waiting Repairs	153,570	147,946	+ 5,624
Repair Ratio	9.5%	8.8%	+ 0.7%

LOCOMOTIVES

► *Argentina.*—Ordered 70 diesel-electric locomotives from International General Electric, and 75 diesel-electrics from General Motors Overseas.

FOREIGN

► *Iran.*—Procurement agency invites tenders for replacement parts for American-made freight cars; tender No. 40/6; Oct. 29, Iranian State Railways, Teheran, where blue prints may be obtained for $13.10 for each set. Bidding instructions, specifications and other pertinent data are available for review on loan from the Office of Commercial Services, Bureau of International Business Operations, U.S. Department of Commerce, Washington 25, D.C.

New Facilities

► *Canadian National.*—May soon seek bids on equipment for a centralized traffic control installation between Biggar, Sask., and Edmonton, Alta., 267 miles. Informed sources indicate that it will be modified CTC with a spring switch at one end of each passing siding and a power switch at the other end with the usual controlled signals.

► *Minneapolis Industrial.*—The MI (a C&NW subsidiary) is building lead tracks to serve the first section (130 acres) of a proposed 850-acre industrial park in the Minneapolis area.

► *New York Central.*—Reportedly will soon ask for bids on a 1,301-mile microwave system along the road's mainlines (RA, Aug. 14, p. 16). The main microwave system will be from New York to Chicago, Ill., 960 miles, with an extension to Detroit, Mich., from Toledo, Ohio, 58 miles. Another microwave link will be from Cleveland, Ohio, to Indianapolis, Ind., 283 miles.

► *Northern Pacific.*—Is reported to be planning a microwave system from Portland, Ore., to Seattle, Wash., 186 miles.

You Ought To Know...

Diesel-hydraulic locomotives are scheduled to be delivered about Oct. 21 at Houston, Tex., to the Southern Pacific and the Denver & Rio Grande Western. The three 4,000-hp Krauss-Maffei units for the SP will probably go into service on its rails at Houston. The three D&RGW locomotives are expected to work into Denver via Burlington Lines.

Modernization of track throughout the world, with particular reference to concrete crossties, will be the subject of the Oct. 26 meeting of the Metropolitan Maintenance of Way Club, New York. Slides will illustrate current practices in a variety of countries. Speakers will be Roger Sonneville and Henri Gird-Eymery of the Society for Railway Studies, Paris.

"Tremendous, unrestrained power to stop the wheels of transportation should not be possessed by any man," Sen. John L. McClellan told the New York Traffic Club last week, "and certainly not by Hoffa or Bridges . . . I think we ought to protect the country against the possibility of a nation-wide strike in transportation that would bring our country to its knees," Sen. McClellan said in urging legislation to place "certain labor unions in the transportation industry under restraint and controls comparable to those our anti-trust laws now place on business."

A major USSR goal is "coordinated development of all types of transport as components of a single transport network," according to the new Programme of the Communist Party of the Soviet Union. Specific projects include further railway modernization; more pipelines; a "ramified network" of modern highways; and a single deepwater system linking the main inland waterways of the European part of the USSR.

Hydroframe-60 box car with cushion underframe developed by Pullman-Standard violates Safety Appliance statutes and regulations, according to a statement filed with the ICC by three operating unions. BRT, ORC&B, and SUNA charges involve the "excessive" distance between coupled cars, the "difficulty" in alining and operating couplers, and the location of the handbrake.

An enlightened and more efficient administration of the regulatory acts will result from the spotlight being placed on the regulatory agencies, predicts Gerald W. Collins, manager of the U. S. Chamber of Commerce's Transportation and Communication Department. Mr. Collins believes that pending cases before the commissions will be expedited and procedures streamlined; merger and consolidation cases will be heard more expeditiously and sympathetically; the commissions will be more liberal in their policy on rate of return.

A Department of Transportation, sweeping new regulatory and taxing policies, and "restructuring of our national transportation system" are necessary to save America from "a national disaster in its entire transportation system," New York Governor Nelson Rockefeller told the National Conference of State Legislative Leaders. He said local governments should help out with tax relief and other financial aid for transportation.

Piggyback service has achieved "notable advances in the past year but there are major obstacles to be overcome before future growth is assured," says a new study just released by the Public Affairs Institute. Two major obstacles: lack of standardized equipment, and absence of a coordinated approach by the different modes of transport. The study, called "Progress in Piggyback and Containerization," was sponsored by the Brotherhood of Railroad Trainmen. Copies are available (at 50 cents) from the Public Affairs Institute, 312 Pennsylvania Ave., S.E., Washington 3, D. C.

A record 14,715 school children making educational trips were handled on Great Northern's Cascade Division during the past school year. Mostly second-graders whose curriculum included an introduction to transportation, the children were accompanied by nearly 3,000 teachers and parents.

A new bulk flour distribution terminal, designed to serve bakers within a 125-mi radius of Philadelphia, has been opened by the Reading at Norristown, Pa. All flour will be pneumatically air-conveyed from incoming Airslide hopper cars to storage silos and thence to local delivery trucks. Present capacity of the terminal is 440,000 lb, but expansion to 1,760,000 lb is visualized.

A new $6,000,000 plant for making steel wheels for freight cars was dedicated by Griffin Wheel Co. last week. The plant—Griffin's sixth, and the fourth to be completed by the company in less than five years—can turn out 148,000 wheels annually. The facility covers 135,000 sq ft on a 36-acre tract.

Union Tank Car Co. has installed an IBM 1401 computer in its Chicago headquarters to serve as the heart of a centralized data processing center. First assignment for the computer will be monthly and per diem billing of tank-car rental charges.

Western Pacific President F. B. Whitman, beginning WP's direct testimony before ICC Examiner Paul C. Albus in the Southern Pacific-Santa Fe battle for WP control, said last week that his road favored Santa Fe and opposed SP control because effective rail competition is vital to the fast-growing West. Mr. Whitman also urged that SP and UP be required to divest themselves of WP stock. Santa Fe President E. S. Marsh took the stand to reiterate his road's premise that SP control of WP would cause great harm to Santa Fe in California and to stress the importance of preserving strong and aggressive rail competition in the areas served by the three roads.

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FREIGHT-TRAIN CARS

► *Louisville & Nashville.*—Last week took delivery of the first of 40 new 90-ton aluminum covered hoppers from Pullman-Standard (RA, May 29, p. 71). The cars, based on P-S's PS-2 covered-hopper design, have a light weight of 53,000 lb and utilize aluminum plate extrusions and castings supplied by Aluminum Company of America. They will be assigned to alumina service.

► *Bad Order Ratio 0.7% Higher Than Last Year.*—Class I roads on Sept. 1 owned 1,623,990 freight cars, 47,788 less than last year, according to AAR report summarized below. Bad order ratio was 0.7% higher than on Sept. 1, 1960.

	Sept. 1, 1961	Sept. 1, 1960	Change
Car Ownership	1,623,990	1,671,778	—47,788
Waiting Repairs	153,570	147,946	+ 5,624
Repair Ratio	9.5%	8.8%	+ 0.7%

LOCOMOTIVES

► *Argentina.*—Ordered 70 diesel-electric locomotives from International General Electric, and 75 diesel-electrics from General Motors Overseas.

FOREIGN

► *Iran.*—Procurement agency invites tenders for replacement parts for American-made freight cars; tender No. 40/6; Oct. 29, Iranian State Railways, Teheran, where blue prints may be obtained for $13.10 for each set. Bidding instructions, specifications and other pertinent data are available for review on loan from the Office of Commercial Services, Bureau of International Business Operations, U.S. Department of Commerce, Washington 25, D.C.

New Facilities

► *Canadian National.*—May soon seek bids on equipment for a centralized traffic control installation between Biggar, Sask., and Edmonton, Alta., 267 miles. Informed sources indicate that it will be modified CTC with a spring switch at one end of each passing siding and a power switch at the other end with the usual controlled signals.

► *Minneapolis Industrial.*—The MI (a C&NW subsidiary) is building lead tracks to serve the first section (130 acres) of a proposed 850-acre industrial park in the Minneapolis area.

► *New York Central.*—Reportedly will soon ask for bids on a 1,301-mile microwave system along the road's mainlines (RA, Aug. 14, p. 16). The main microwave system will be from New York to Chicago, Ill., 960 miles, with an extension to Detroit, Mich., from Toledo, Ohio, 58 miles. Another microwave link will be from Cleveland, Ohio, to Indianapolis, Ind., 283 miles.

► *Northern Pacific.*—Is reported to be planning a microwave system from Portland, Ore., to Seattle, Wash., 186 miles.

Editors Afield—A Million Cinders Later

TAMAQUA, PA. — Dr. M. M. Medvene, chief medical officer of the Reading, subtracted 32 cinders from 32 eyes on a recent Saturday. Dr. Medvene was along on one of Reading's "Iron Horse Rambles," in case his services should be needed in an emergency. The eyes belonged to assorted passengers among the 1,237 customers who participated in the excursion. The cinders were a few of the millions provided by the railroad, via the stacks of steam-powered 4-8-4s 2100 and 2124, in the two years since the excursions began.

As one of 975 ticket holders who helped the Reading launch its venture into nostalgia with the first Iron Horse Ramble, Oct. 25, 1959, I was along on the 25th Ramble, Sept. 23, 1961, to see what had been happening to Reading's passenger experiment. Were the Rambles paying their way? Were they still promoting good will for the railroad? And were they continuing to draw the crowds—on the train and en route?

From the evidence of the crowds on the train and along the right-of-way, the answer would have to be "Yes." Ticket sales for the Sept. 23 excursion were the largest of the year. What appeared to be the entire population of the town of Tamaqua turned out to greet the train at the mid-point of the journey. And the soot and cinders in the eyes seemed to be only an added attraction—even to the 32 customers who had their cinders extracted.

Reading's first three Rambles, in the fall of 1959, drew a total of 2,714 paying passengers—enough to satisfy Reading passenger and public relations people that they had a marketable commodity in the excursions.

Eleven trips were run in 1960 and attracted 10,444 cash customers.

Interest has not been confined to rail fans. For example, the July 17, 1960 trip, from Belle Meade, N. J. to Reading and return over a freight-only branch, carried 1,023 customers among whom was a reporter from radio station WCAU in Philadelphia, who recorded on tape interviews with passengers along with some of the sounds of the engine which were later used in a Voice of America broadcast beamed at overseas points. Also on hand to record the scene for domestic listeners were a crew from NBC's Monitor program.

All told, the three trips of 1959, 11 of 1960 and 12 (through Sept. 23) in 1961 sold 21,200 tickets, an average of 848 tickets per trip.

A Reading public relations representative, R. D. Crompton, was along on Sept. 23 as he has been on most of the excursions. The Rambles have been successful, Mr. Crompton says, because the Reading is doing its best to give the customers what they want. This includes lots of stops to take pictures, new routes, and souvenirs of the trip.

Passengers also get the benefit of careful planning in the form of a time schedule for the trip designed to answer most of the questions about points of interest along the way. This four-page folder lists the times of arrival and the mileage for points that will be passed, plus information about the two steam engines used.

The 26th Ramble was run off on Oct. 7, the 27th was scheduled for Oct. 15, and the 28th, Oct. 22, which ends the series for this year.

Will the Rambles be back next year? "Yes," says Mr. Compton, "If interest continues high, we'll have them next year."

—Rod Craib

ICC OPENS HEARINGS ON GN-NP MERGER (*Continued from page 28*)

the public interest. But the trend in the railroad industry during recent years has been ominous. On the one hand, a continually smaller portion of the nation's intercity traffic is being handled by the railroads. At the same time, the return on investment has been decreasing to wholly inadequate levels measured by any standard. This is true throughout the industry. Unless these trends are reversed, and reversed soon, the end result is inevitable.

"The survival of the American railroad industry as a private enterprise is at stake and, before it is too late, steps such as this proposed merger must be taken. Our merger is not a quickly determined, hastily devised or speculatively inspired proposal but is the result of six years of careful, thoughtful and, I hope, statesmanlike effort to carry out the Congressional intent of preserving our industry by increasing efficiency in order to better serve the public at lower cost than would otherwise be possible."

Mr. Macfarlane doesn't think that the creation of the Great Northern Pacific & Burlington Lines will eliminate competition nor result in monopoly. This argument, he feels, "overlooks the fact that, while there is competition between railroads, the important and significant competition is between the railroads on the one hand and other forms of transportation. With an ever-decreasing share of intercity traffic moving by rail, the real hope for survival lies not only in preventing further diversion, but in recapturing lost traffic, and it is regrettable, from the standpoint of the public interest and the survival of our industry, that emphasis is placed upon competition between railroads instead of competition between railroads and other forms of transportation."

NP's president pointed out that nearly all the principal cities and areas concerned with the merger will continue to be served by two or more competing roads.

Great Northern President Budd, second of the merging roads' first-day witnesses, told Examiner Murphy:

- The merger would provide a transcontinental freight route between St. Paul-Minneapolis and Seattle 136 miles shorter than the present NP line and 12 miles less than the present GN route.
- The unified transcontinental freight line will be over NP between the Twin Cities and Casselton, N. D.; over GN from Casselton to Sandpoint, Idaho; over NP from Sandpoint to Spokane, Wash., and over GN from Spokane to Seattle.
- After unification all important traffic over the merged line from the Pacific Northwest to the Southwest will move over NP between Spokane and Billings—116 miles shorter than the GN route between these two points.
- Merger approval will prompt immediate action on a multi-million dollar program of major operating installations in the Twin Cities, Spokane, Seattle and other cities.
- Present passenger train services will be maintained "as long as public patronage in sufficient volume makes this possible."
- Corporate headquarters of GNP&BL will be in St. Paul. Eventually the president will be headquartered in Chicago and the chairman in St. Paul.

Appearing either to protest the merger or to ask the Commission to impose safeguards protecting their interests in event the merger is approved are the Milwaukee Road, Soo Line, Chicago & North Western, Union Pacific, Southern Pacific and Rock Island.

N&W-NKP-Wabash Case Starts

► **The Story at a Glance: The ICC's public hearing on the Norfolk & Western's proposal to merge with Nickel Plate, lease the Wabash and purchase the Pennsylvania's 111-mile line between Columbus, Ohio, and Sandusky got under way in Washington, Oct. 10 —the day after the closing session, also in Washington, of the Commission's hearing on competing applications of the Chesapeake & Ohio and New York Central for control of the Baltimore & Ohio. Lead-off witnesses in the N&W case were that road's president, Stuart T. Saunders, President F. S. Hales of NKP, and Wabash President Herman Pevler.**

The Norfolk & Western's plan for adding the Nickel Plate and Wabash to its 2,700 miles of line and thus building a 7,400-mile system with assets of $1.7 billion came up for ICC hearings before Examiner Lester R. Conley in Washington last week. It succeeded in the Washington spotlight the case involving competing applications of Chesapeake & Ohio and New York Central for authority to control Baltimore & Ohio, in which hearings before Examiner John J. Bradford were concluded the previous day.

This close schedule prompted counsel for NYC, an intervener in the N&W case, to seek arrangements whereby the presentation of supporting evidence in that case would be followed by a recess to give Central time to prepare for cross-examination and presentation of its own evidence. Central's request, supported by other interveners, was denied by Examiner Conley, but he indicated that he might not require completion of all cross-examination at the present series of hearings. He will consider the matter again when he sees how cross-examination is going. Meanwhile, Examiner Bradford set Dec. 15 as the date by which briefs in the B&O control case must be filed.

Central's counsel also announced at the N&W hearing that his road would file a petition asking the Commission to institute an investigation for the purpose of determining whether the Pennsylvania and its affiliate, Pennsylvania Co., have power to control N&W—and, if so, whether they should be parties to the case. Questioning of N&W President Saunders by J. Riggs McConnell of the Department of Justice's Anti-Trust Division brought out that 31.37% of N&W stock is owned by the Pennsylvania Co. and 2.69% by PRR.

Among those seeking to defer cross-examination was counsel for the Railway Labor Executives' Association, who said RLEA preferred that procedure because of pending negotiations. The statement was not explained, but it served to recall that RLEA and N&W in 1959 reached a labor-protection agreement which prompted the association to drop its opposition to merger of the Virginian into N&W.

N&W's Saunders gave six principal reasons why he thinks the merger-lease-purchase would promote the public interest. He said the proposed new system would:

1) Produce annual savings of $27 million after five years.

2) Bring better service to the public.

3) Make possible a much more effective program for attracting industry to areas served by the combined lines.

4) Be sounder and stronger, with a well-balanced traffic consist.

5) Better meet the threat posed by competing modes of transportation—private carriage in particular.

6) Provide greater stability of employment on the three roads.

Under the unification plan, as Mr. Saunders briefed it, NKP would be merged into N&W with the exchange of each share of its common stock for 0.45 share of N&W common. The PRR's Sandusky line would be purchased for $27 million to serve as a connecting link, and N&W would take a 50-year renewable lease on the Wabash, with rights to acquire the stock at a later date.

The N&W president called the terms of the proposed transactions "eminently fair to involved companies and their stockholders." He added that "this is plainly indicated by the fact that stockholders who voted have almost unanimously approved the transactions." As to N&W, Mr. Saunders said its capitalization "will remain sound, strong and conservative," and its fixed charges "will remain moderate."

The new N&W will be divided into three regions "to insure flexible operations and permit rapid, efficient handling of local matters," Mr. Saunders also said. The regions will be Pocahontas, Nickel Plate, and Wabash, with headquarters at Roanoke, Cleveland and St. Louis, respectively. System general offices will be in Roanoke "where centralized handling of financial, legal, accounting and other matters on an overall basis will definitely increase efficiency of operation."

"Our studies do not contemplate any abandonment of road mileage or any reduction in local service to any point on the new system," the N&W president continued. "Thus we are not proposing to deprive any community of rail service and, in fact, to most points propose to offer faster and better service."

As to his expectation that the proposed system will give N&W a better balance of traffic, Mr. Saunders noted the preponderance of coal tonnage on his road and the large proportions of general merchandise traffic on the other roads involved. He called the potential of diversified business "a most important one in today's changing economy."

Following through along this line, NKP President Hales said the diversification his road would provide "is not only of volume movements of general merchandise and manufactures and miscellaneous, but also of steam coal which is produced in large volume in Ohio and which lies close to freight consuming areas of such coal."

The NKP president explained that his road serves an area of heavy industry, including steel plants, as well as an area of high consumption, and it has "the physical means for faster and more frequent service between West and East, benefitting the other components of the unification and connecting lines as well." Mr. Hales went on to refer to NKP's "reputation for fast and dependable service."

Terms of the proposed unification, in his opinion, are "fair, reasonable and equitable from the standpoint of Nickel Plate security holders," Mr. Hales also said. Further explaining his road's desire for unification, he had this to say:

"We were aware that the only means to remain competitive with other modes and means of transportation, to provide the best service to the public, and to protect the equity of our shareholders was to continue to improve our property and financial standing."

Wabash President Herman H. Pevler followed Mr. Hales to testify that the Wabash would become a strong link in the proposed new system by contributing a modern property in good physical condition, soundly operated and maintained. Mr. Pevler also stressed his opinion that much better service to shippers would result.

The Wabash president reviewed the economic and physical condition of his road, calling it "good." Even though Wabash is "capable of providing attractive service and maintaining sound earnings through recent improvements," Mr. Pevler feels that Wabash "would become an even better property as part of the proposed system."

PEOPLE IN THE NEWS

BALTIMORE & OHIO.—**C. Russell Riley,** general manager, Eastern region, Baltimore, Md., appointed special assistant to vice president—operation and maintenance. **Chester T. Williams,** general manager, Central region, Pittsburgh, Pa., transferred to the Eastern region, Baltimore. **Clarence E. Jackman,** chief engineer, succeeds Mr. Williams. **James A. Caywood,** assistant chief engineer maintenance, Baltimore, promoted to chief engineer.

C. Russell Riley
B&O

Clarence E. Jackman
B&O

James A. Caywood
B&O

John T. Collinson
B&O

C. Lester Kroll
B&O

Robert J. Schiek
EJ&E

Howard C. Forman
L&N

F. Dixon Brooke
L&N

William A. Mullen, superintendent mechanical methods, Baltimore, named superintendent, car department there. **William F. Dadd,** superintendent motive power, Western region, Cincinnati, Ohio, transferred to the Eastern region at Baltimore, succeeding **Guy F. Wiles,** who retired Sept. 30. **Albert W. Gibson,** assistant superintendent, car department, Baltimore, named superintendent motive power, Western region, Cincinnati. **Clark K. Strader** appointed assistant general manager, Central region and Chicago Terminal, at Chicago. Prior to a recent reorganization of regions, Mr. Strader was general manager, Chicago Terminal. **John F. Stevens,** superintendent, New York Terminal, named superintendent, St. Louis division, Washington, Ind., succeeding **Archie S. Waller,** who retired Oct. 1. **Harry I. Walton,** superintendent, Akron-Chicago division, Akron, Ohio, appointed superintendent, Cumberland division, succeeding **Raymond J. Cannon,** named superintendent, New York Terminal. **James H. MacAnanny,** chairman, Development Committee, succeeds Mr. Walton at Akron. **Richard G. Rayburn** named superintendent, Toledo-Indianapolis division, succeeding **John F. Robbert,** who retired Oct. 1. **Allen W. Johnston,** assistant superintendent, Baltimore division, will become superintendent of that division on Nov. 1, succeeding **William M. Murphy,** who retires on that date. **Robert E. Enderle,** division engineer, Akron-Chicago division, succeeds Mr. Johnston as assistant superintendent, Baltimore.

John T. Collinson, engineer maintenance of way, New York Terminal region, Baltimore, appointed assistant chief engineer—maintenance. **C. Lester Kroll,** regional engineer, Eastern region, appointed assistant chief engineer—construction. **Edward M. Cummings,** division engineer, Cumberland, Md., named regional engineer—construction and maintenance, Eastern region. **Joseph R. Rymer,** division engineer, B&O Chicago Terminal, Chicago, named to a similar position at Cumberland. **Charles E. Heck,** transportation engineer, Development Committee, named chairman of the committee. **John T. Hoelzer,** and **Benjamin J. Johnson,** engineers, maintenance of way, Central and Western regions, respectively, appointed regional engineers—construction and maintenance, each in the same respective area. **Frank J. Fico** named assistant regional engineer—construction and maintenance, Eastern region, Baltimore. **Milton S. Norris** and **J. Edward Graham** appointed assistant regional engineers—construction and maintenance, Central and Western regions, respectively. **J. Herbert Wallis,** superintendent communications, has been given the new title of communications engineer, in charge of the road's communications department. **Henry Seitz** appointed engineer of structures, succeeding **Abram Clark,** who retired Sept. 30. **Archibald W. McElvany,** supervisor mechanical methods, appointed superintendent mechanical methods.

Paul K. Partee, general manager, Staten Island Rapid Transit and New York Region of the B&O, has retired.

CANADIAN PACIFIC.—**Douglas H. Walkington,** assistant engineer, office of signal engineer, Toronto, appointed regional signal engineer, Eastern region, Toronto, succeeding **R. I. Becksted,** who retired Oct. 1.

CHESAPEAKE & OHIO.—**R. C. Blakeslee,** car foreman, Grand Rapids, Mich., appointed car shop superintendent there, succeeding **C. A. Thomas,** promoted. **E. A. Williams** named assistant superintendent, Newport News, Va. Positions of boatmaster, formerly held by Mr. Williams, and assistant to superintendent, formerly held by **B. V. Burroughs,** have been abolished.

CHICAGO & NORTH WESTERN.—**Lyle W. Bjerken,** general agent, Milwaukee, Wis., named assistant general freight agent there, replacing **George G. MacCarthy,** appointed general freight agent, Chicago.

ELGIN, JOLIET & EASTERN.—**Robert J. Schiek,** editor, J-Milepost, appointed executive assistant, Joliet, Ill. He will continue editing the company magazine and will have charge of public relations, the employee suggestion system and other duties as assigned.

ERIE-LACKAWANNA.—**Frank A. Roberts** appointed valuation engineer, Cleveland, succeeding **H. N. Halper,** who retired Sept. 30.

LOUISVILLE & NASHVILLE.—**Howard C. Forman,** assistant vice president-operations, Birmingham, Ala., named assistant to the president, Louisville, Ky. **F. Dixon Brooke,** formerly assistant president, DeBardeleben Coal Corp., Birmingham, appointed assistant to the president, L&N, Birmingham.

MISSOURI PACIFIC.—**Harold W. Kassling,** regional sales manager, Chicago, appointed manager—foreign and perishable sales, St. Louis, succeeding **Jack N. Sanders** (RA, Oct. 9, p. 38). **Raymond T. Schlude** appointed district sales manager, Chicago, succeeding **Paul E. Watson,** who replaces Mr. Kassling. **Kenneth A. Klamert** appointed district sales manager, Brownsville, Tex., succeeding the late **Edward L. Spenrath.** Mr. Schlude was transferred from Washington, D.C.

Supply Trade

Michael J. Ford, vice president and general manager of **International-Stanley Corp.,** on Oct. 1 submitted his resignation from active management of the company, effective in a year's time. After Oct. 1, 1962, Mr. Ford will serve in an advisory capacity.

Royal M. Scott has joined **Lenkurt Electric Co.,** as a sales engineer, Southwestern district office, Dallas, Tex. Mr. Scott was assistant superintendent of communications for the **Southern Pacific** at San Francisco, before joining Lenkurt in July.

Griffin Wheel Co. will open executive sales offices in International Building, 630 Fifth Avenue, New York, about Nov. 1.

Edwin G. Holl, Philadelphia, Pa., has been appointed railroad sales representative for the Philadelphia district by **Silent Hoist & Crane Co.,** Brooklyn, N. Y.

Ernest J. Warnock has been appointed chief mechanical engineer, Symington division, **Symington Wayne Corp.,** succeeding **C. Irving Lusink,** who retired Sept. 30.

OBITUARY

Albert N. Williams, 73, who was president of the **Lehigh Valley** in 1940-41, died Oct. 2 at his home near Denver, Colo.

James F. McCartney, manager—district sales, **McConway & Torley Corp.,** Pittsburgh, Pa., died Sept. 23.

U.S. STEEL'S NEW RAILROAD (*Continued from page 13*)

North of Winton, the spur right of way crosses one of the most active sand dunes in the U. S. In this "blow-sand" area, drill tests showed the sand to be more than 120 ft deep. Because the grading equipment tended to bog down, any attempt to build a railroad grade over this strip in summer and properly compact the sand "would bankrupt Rockefeller," according to the field superintendent on the project.

The grade was built in winter. Sufficient water for the compacting operation was found just beneath the sand surface. Trenches 100 ft long, about 15 ft wide and 6 to 9 ft deep, were gouged at intervals along the right of way for obtaining the water. The water was pumped into 6,000-gal water wagons and sprayed on the sandy grade. When soaked sufficiently, the grade was compacted by 50-ton rubber-tired compactors, three vibratory rollers and two sets of sheepsfoot compactors before it froze.

Because the summer heat would evaporate all moisture, raising the possibility that the winds blow the sand away, a 6-in. layer of rock was placed over the top and sides of the new grade to stabilize it. The slopes also were oiled to prevent wind erosion. In early spring, rock ballast was applied on the grade and the track was laid.

Beyond the dunes was a long stretch of peat-bog swamp near the site of a historic stagecoach station at Pacific Springs. Beneath the bog is a layer of impervious soil which holds the water. In coping with this stretch, a deep trench was cut through the impervious layer at one location for draining the area. At other places, the peat bogs were excavated and backfilled with rock and earth to form a base for the grade.

One of the toughest grading problems was constructing the grade north of Sweetwater River through the first reaches of Fremont County's rugged Wind River mountains. In cutting down hills and filling up canyons, more than 2.5 million cu yd of material was moved. The highest fill is nearly 100 ft high where the line crosses Slate creek near the mine site.

Four major steel-girder bridges were erected over rivers along the route. A steel overpass was constructed over Wyoming State Highway 28. The largest bridge is the 120-ft Sweetwater River span. Other water crossings bridge Killpecker creek and Pacific creek at two points.

The new railroad also provides a cattle underpass near South Pass City, and more than 60 planked sheep-trail and road crossings. The gradual roadbed slopes constructed along the right of way allow livestock and wild game to cross the track easily.

Completed Last July

Started in October 1960, the railroad was completed late last July without a disabling injury, according to U. S. Steel officers. Grading work was done by the Pomeroy-Bechtel Taconite Iron Joint Venture, San Francisco, Calif. The spur track, plus yard tracks at each end, was laid by the Franco Railroad Construction Company, Spokane, Wash. It is now being used to haul heavy machinery and materials to the Atlantic City plant site. Late next year it will start carrying beneficiated iron ore on the first leg of the 355-mile trip to Provo.

The ore will be mined by the open-pit method. Electric-powered shovels will scoop up the blasted material and load it into a fleet of mine trucks. It will be carried to a primary crusher, then to two more crushers until the rock has been reduced to less than 3/4 in. in diameter. It will then be belt-conveyed to a large ore-storage bin atop an adjacent hill.

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OSMOSE

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You Ought To Know...

Diesel-hydraulic locomotives are scheduled to be delivered about Oct. 21 at Houston, Tex., to the Southern Pacific and the Denver & Rio Grande Western. The three 4,000-hp Krauss-Maffei units for the SP will probably go into service on its rails at Houston. The three D&RGW locomotives are expected to work into Denver via Burlington Lines.

Modernization of track throughout the world, with particular reference to concrete crossties, will be the subject of the Oct. 26 meeting of the Metropolitan Maintenance of Way Club, New York. Slides will illustrate current practices in a variety of countries. Speakers will be Roger Sonneville and Henri Gird-Eymery of the Society for Railway Studies, Paris.

"Tremendous, unrestrained power to stop the wheels of transportation should not be possessed by any man," Sen. John L. McClellan told the New York Traffic Club last week, "and certainly not by Hoffa or Bridges . . . I think we ought to protect the country against the possibility of a nation-wide strike in transportation that would bring our country to its knees," Sen. McClellan said in urging legislation to place "certain labor unions in the transportation industry under restraint and controls comparable to those our anti-trust laws now place on business."

A major USSR goal is "coordinated development of all types of transport as components of a single transport network," according to the new Programme of the Communist Party of the Soviet Union. Specific projects include further railway modernization; more pipelines; a "ramified network" of modern highways; and a single deepwater system linking the main inland waterways of the European part of the USSR.

Hydroframe-60 box car with cushion underframe developed by Pullman-Standard violates Safety Appliance statutes and regulations, according to a statement filed with the ICC by three operating unions. BRT, ORC&B, and SUNA charges involve the "excessive" distance between coupled cars, the "difficulty" in alining and operating couplers, and the location of the handbrake.

An enlightened and more efficient administration of the regulatory acts will result from the spotlight being placed on the regulatory agencies, predicts Gerald W. Collins, manager of the U. S. Chamber of Commerce's Transportation and Communication Department. Mr. Collins believes that pending cases before the commissions will be expedited and procedures streamlined; merger and consolidation cases will be heard more expeditiously and sympathetically; the commissions will be more liberal in their policy on rate of return.

A Department of Transportation, sweeping new regulatory and taxing policies, and "restructuring of our national transportation system" are necessary to save America from "a national disaster in its entire transportation system," New York Governor Nelson Rockefeller told the National Conference of State Legislative Leaders. He said local governments should help out with tax relief and other financial aid for transportation.

Piggyback service has achieved "notable advances in the past year but there are major obstacles to be overcome before future growth is assured," says a new study just released by the Public Affairs Institute. Two major obstacles: lack of standardized equipment, and absence of a coordinated approach by the different modes of transport. The study, called "Progress in Piggyback and Containerization," was sponsored by the Brotherhood of Railroad Trainmen. Copies are available (at 50 cents) from the Public Affairs Institute, 312 Pennsylvania Ave., S.E., Washington 3, D. C.

A record 14,715 school children making educational trips were handled on Great Northern's Cascade Division during the past school year. Mostly second-graders whose curriculum included an introduction to transportation, the children were accompanied by nearly 3,000 teachers and parents.

A new bulk flour distribution terminal, designed to serve bakers within a 125-mi radius of Philadelphia, has been opened by the Reading at Norristown, Pa. All flour will be pneumatically air-conveyed from incoming Airslide hopper cars to storage silos and thence to local delivery trucks. Present capacity of the terminal is 440,000 lb, but expansion to 1,760,000 lb is visualized.

A new $6,000,000 plant for making steel wheels for freight cars was dedicated by Griffin Wheel Co. last week. The plant—Griffin's sixth, and the fourth to be completed by the company in less than five years—can turn out 148,000 wheels annually. The facility covers 135,000 sq ft on a 36-acre tract.

Union Tank Car Co. has installed an IBM 1401 computer in its Chicago headquarters to serve as the heart of a centralized data processing center. First assignment for the computer will be monthly and per diem billing of tank-car rental charges.

Western Pacific President F. B. Whitman, beginning WP's direct testimony before ICC Examiner Paul C. Albus in the Southern Pacific-Santa Fe battle for WP control, said last week that his road favored Santa Fe and opposed SP control because effective rail competition is vital to the fast-growing West. Mr. Whitman also urged that SP and UP be required to divest themselves of WP stock. Santa Fe President E. S. Marsh took the stand to reiterate his road's premise that SP control of WP would cause great harm to Santa Fe in California and to stress the importance of preserving strong and aggressive rail competition in the areas served by the three roads.

STATEMENT required by the Act of August 24, 1912, as amended by the Acts of March 3, 1933, July 2, 1946 and June 11, 1960 (74 Stat. 208) showing the ownership, managment, and circulation of

RAILWAY AGE

published weekly at Orange, Connecticut for October 16, 1961.

1. The names and addresses of the publisher, editor, managing editor, and business managers are:
Publisher, Robert G. Lewis, 30 Church St., New York 7, N. Y.
Executive Editor, Joseph W. Kizzia, 30 Church St., New York 7, N. Y.
Managing editor, Fred C. Miles, 30 Church St., New York 7, N. Y.
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Business or Charity?

The railroads (with, maybe, a very few exceptions) could get along all right without their passenger service—but could the public get along without it? The answer to that question might be 'yes,' in some cases, but in a great many more it would be 'no.' But even in many places where the answer should be 'no,' the public is unaware of its need for railroad passenger service, or, at any rate, is doing little to assure its continuance.

As should be expected (but often isn't), where conditions differ from railroad to railroad and from one part of the country to another, the attitude of different railroad leaders varies. And critics deplore the industry's lack of unanimity. But an executive whose railroad hauls relatively few people long distances has an entirely different problem from that of the manager who has to haul tens of thousands of people daily, on short hauls.

Both types of movement are called 'passenger service,' but it is only the terminology that is the same—the services themselves are utterly different. To expect the managements of all railroads to have exactly the same attitude toward the widely different conditions embraced under the term 'passenger service' is to expect them to be completely irrational.

To add to the confusion, already bedeviled by inexact terminology, the emotional term 'railroad subsidy' has been used to characterize some of the concessions that governmental bodies have made to permit continuance of necessary service. Who is being subsidized? It is the users of the service—and the communities that demand its continuance—that are being subsidized. The railroads involved are lucky if they are made whole for the actual cost of the service they are forbidden to discontinue. If government comes along and requisitions a piece of property, and pays the owner somewhere near the fair market value of the property it seizes, is the money it pays a 'subsidy'? Obviously not.

Accurate terminology in this area is vitally important to the continuance of private enterprise in the transportation industry. The railroads' competitors are being subsidized outright—no possible question about that. Now, if the 'subsidy' label can be successfully pinned on the railroads, the arguments railroad spokesmen have been making for thirty years against transportation subsidies can be twisted into an appearance of contradiction. The industry just cannot afford to have that happen.

Railroads were confronted back in the thirties (and still are) with a problem quite similar to this one—which has been handled much more happily: This is the matter of governmental payments toward the cost of grade crossing elimination—varying all the way up to nearly 100% of the cost. These improvements are not undertaken for the financial benefit of the railroads. They are carried out, instead, to facilitate the movement of highway traffic, and for civic improvement. But the actual work is done, usually, by the railroads—which are then reimbursed in substantial part for the cost.

Such payments are an indemnity, not a subsidy. And tax reduction, or other governmental concessions, necessary to enable railroads to break even on essential passenger service that can neither pay its way directly nor be abandoned, are no 'railroad subsidy' either. Rather than accept the ignominy of such a designation, there are some railroad managers who would probably prefer to sell the service in question to local governments, or close it down.

Railroad passenger service, as it is conducted today, would appear to fall—not just into the two extreme categories we have mentioned (i.e., hauling a few people long distances or many people short distances), but rather into four classes: (1) Commuter service, (2) very long-haul service, (3) intercity service up to, say, 500 miles, (4) a minimum network of nation-wide service, necessary for the national defense and for the railroads to continue being a complete continental transportation agency.

SOCIAL SERVICE—NOT A RAILROAD JOB

More power to those railroads which feel capable of dealing adequately with that share of these four services that has fallen to their lot, without tax and other concessions from local authorities. *All railroads could deal with the problem adequately, on their own, if government would withdraw all tax favors and all financial aid from highway and air transportation.* Since there is no early prospect of such a return to wisdom by either local or national governments, railroads in straitened financial circumstances cannot pursue this course. Their backs are against the wall. They must either withdraw from one or more of these four kinds of passenger service, or demand indemnities from government to offset their losses.

Railroading is a business, not some sort of social service, like police and fire protection. If, in the course of their business, railroads are required to perform some social services—such as the utilities do when they light the streets—then they have a right to demand commercial compensation, without being obliged to label themselves as mendicants. Railroads are not shaking the tin cup—as other modes of transportation and many other businesses are doing brazenly and with amazing success. If any railroads should be tempted to follow such a course (which Heaven forbid), let's hope at least they will not trade their purity for peanuts.

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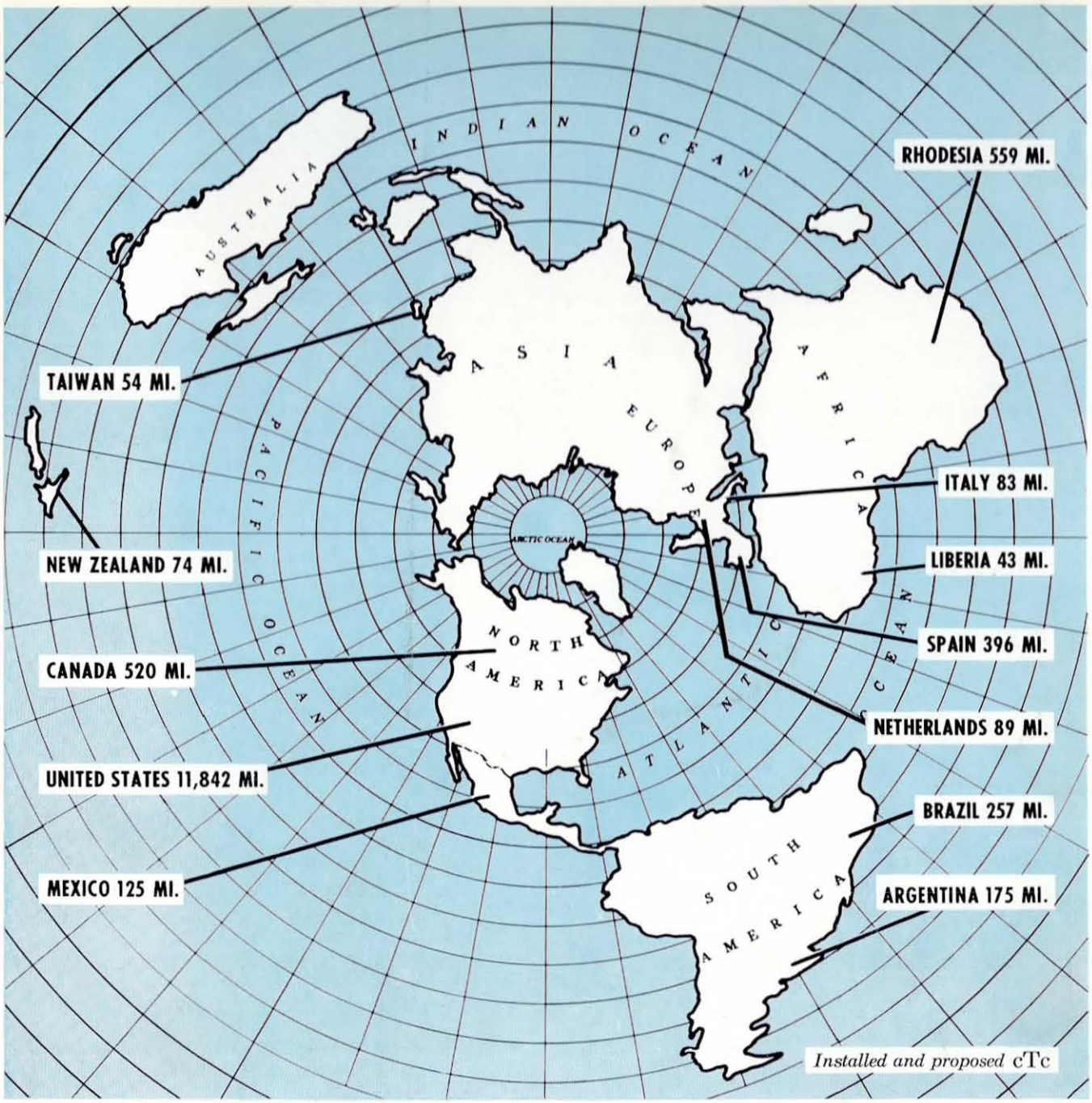

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